COMMISSION ON THE MCARE FUND

ACTUARIAL ANALYSES AND SUPPORT
OF THE MCARE COMMISSION

PURSUANT TO ACT 88 OF 2005

ADDENDUM TO APPENDIX C

Prepared by

Actuarial and Insurance Management Solutions

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

November 2006

ADDENDUM:

APPENDIX C - WORK TASK 3

FINAL MODEL RESULTS

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	Some Softening, Then Steady
Interest Rate Paid on Debt:	5.25%, Coupon=Yield, Proceeds=Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%

Minimum PSF Percentage Achieving Desired Constraints

PSF Applied Incrementally, PSF NOT at least Assessment

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	8.0%	8.4%	8.8%	9.4%	10.1%
Delayed Act 13, Abatement through 12/31/2007	8.0%	8.4%	8.8%	9.3%	9.9%
$50K Increases, Abatement through 12/31/2007	8.0%	8.4%	8.8%	9.2%	9.7%
$100K Increases, Abatement through 12/31/2007	8.0%	8.4%	8.8%	9.4%	10.0%
HAP 1-Step, Abatement through 12/31/2007	8.0%	8.4%	8.9%	9.4%	10.1%
HAP 3-Step, Abatement through 12/31/2007	8.0%	8.4%	8.8%	9.4%	10.0%

PSF Applied Incrementally, PSF at least 56% of Assessment

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	8.0%	8.4%	8.9%	9.6%	10.5%
Delayed Act 13, Abatement through 12/31/2007	8.9%	9.4%	10.1%	11.0%	12.0%
$50K Increases, Abatement through 12/31/2007	8.3%	8.6%	8.9%	9.5%	10.3%
$100K Increases, Abatement through 12/31/2007	8.1%	8.4%	8.9%	9.6%	10.4%
HAP 1-Step, Abatement through 12/31/2007	8.6%	9.1%	9.8%	10.9%	12.4%
HAP 3-Step, Abatement through 12/31/2007	8.2%	8.4%	8.9%	9.5%	10.3%

PSF Applied Incrementally, PSF at least 56% of Assessment/100% when $1M primary limits

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	8.0%	8.4%	9.0%	10.2%	14.0%
Delayed Act 13, Abatement through 12/31/2007	8.9%	9.6%	11.3%	20.7%	NF*
$50K Increases, Abatement through 12/31/2007	8.3%	8.6%	9.1%	10.1%	13.4%
$100K Increases, Abatement through 12/31/2007	8.1%	8.4%	9.0%	10.2%	13.0%
HAP 1-Step, Abatement through 12/31/2007	8.6%	9.1%	10.2%	13.8%	NF*
HAP 3-Step, Abatement through 12/31/2007	8.2%	8.4%	9.0%	10.1%	19.6%

NF* indicates that the scenario does not appear to be financially feasible under certain conditions.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	Some Softening, Then Steady
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.00%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	70%

PSF Applied Incrementally at 70% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
7	Act 13, Abatement through 12/31/2007, 8.0% PSF	29,201	2,444	59	(1,381)	407	-	-	-	-	30,730	8	39
12	Delayed Act 13, Abatement through 12/31/2007, 8.0% PSF	29,195	2,443	59	(1,378)	412	5	(5)	-	-	30,731	11	54
17	$50K Increases, Abatement through 12/31/2007, 8.0% PSF	29,185	2,441	59	(1,365)	410	3	(4)	-	-	30,730	16	79
22	$100K Increases, Abatement through 12/31/2007, 8.0% PSF	29,200	2,444	59	(1,382)	409	2	(2)	-	-	30,730	8	41
27	HAP 1-Step, Abatement through 12/31/2007, 8.0% PSF	29,202	2,445	59	(1,386)	410	3	(3)	-	-	30,730	7	35
32	HAP 3-Step, Abatement through 12/31/2007, 8.0% PSF	29,198	2,444	59	(1,381)	410	3	(3)	-	-	30,730	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.0% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.0% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 8.0% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 8.0% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 8.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.0% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 70% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
37	Act 13, Abatement through 12/31/2007, 8.0% PSF	29,201	2,444	59	(1,381)	407	-	-	-	-	30,730	8	39
42	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	29,223	2,457	59	(1,378)	412	5	(5)	-	-	30,773	11	54
47	$50k Increases, Abatement through 12/31/2007, 8.3% PSF	29,187	2,445	59	(1,365)	410	3	(4)	-	-	30,737	16	79
52	$100k Increases, Abatement through 12/31/2007, 8.1% PSF	29,200	2,444	59	(1,382)	409	2	(2)	-	-	30,730	8	41
57	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	29,240	2,462	59	(1,386)	410	3	(3)	-	-	30,786	7	35
62	HAP 3-Step, Abatement through 12/31/2007, 8.2% PSF	29,201	2,448	59	(1,381)	410	3	(3)	-	-	30,737	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.0% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 8.3% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 8.1% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.2% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 70% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
67	Act 13, Abatement through 12/31/2007, 8.0% PSF	29,201	2,444	59	(1,381)	407	-	-	-	-	30,730	8	39
72	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	29,221	2,457	59	(1,378)	412	5	(5)	-	-	30,771	11	54
77	$50k Increases, Abatement through 12/31/2007, 8.3% PSF	29,187	2,445	59	(1,365)	410	3	(4)	-	-	30,737	16	79
82	$100k Increases, Abatement through 12/31/2007, 8.1% PSF	29,200	2,444	59	(1,382)	409	2	(2)	-	-	30,730	8	41
87	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	29,239	2,462	59	(1,386)	410	3	(3)	-	-	30,785	7	35
92	HAP 3-Step, Abatement through 12/31/2007, 8.2% PSF	29,201	2,448	59	(1,381)	410	3	(3)	-	-	30,737	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.0% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 8.3% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 8.1% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.2% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		

Note

Page numbers noted above are for the corresponding page in Exhibit 1 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	Some Softening, Then Steady
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	80%

PSF Applied Incrementally at 80% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
8	Act 13, Abatement through 12/31/2007, 8.4% PSF	30,319	2,464	59	(1,570)	465	-	-	-	-	31,737	9	45
13	Delayed Act 13, Abatement through 12/31/2007, 8.4% PSF	30,299	2,456	59	(1,567)	470	5	(5)	-	-	31,717	13	63
18	$50K Increases, Abatement through 12/31/2007, 8.4% PSF	30,279	2,450	59	(1,552)	469	4	(4)	-	-	31,705	18	90
23	$100K Increases, Abatement through 12/31/2007, 8.4% PSF	30,314	2,462	59	(1,571)	468	3	(3)	-	-	31,732	10	48
28	HAP 1-Step, Abatement through 12/31/2007, 8.4% PSF	30,326	2,468	59	(1,576)	469	3	(4)	-	-	31,746	8	41
33	HAP 3-Step, Abatement through 12/31/2007, 8.4% PSF	30,310	2,459	59	(1,570)	468	3	(3)	-	-	31,726	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 80% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
38	Act 13, Abatement through 12/31/2007, 8.4% PSF	30,319	2,464	59	(1,570)	465	-	-	-	-	31,737	9	45
43	Delayed Act 13, Abatement through 12/31/2007, 9.4% PSF	30,326	2,469	59	(1,567)	470	5	(5)	-	-	31,758	13	63
48	$50k Increases, Abatement through 12/31/2007, 8.6% PSF	30,286	2,455	59	(1,552)	469	4	(4)	-	-	31,717	18	90
53	$100k Increases, Abatement through 12/31/2007, 8.4% PSF	30,314	2,462	59	(1,571)	468	3	(3)	-	-	31,732	10	48
58	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	30,354	2,475	59	(1,576)	469	3	(4)	-	-	31,780	8	41
63	HAP 3-Step, Abatement through 12/31/2007, 8.4% PSF	30,313	2,460	59	(1,570)	468	3	(3)	-	-	31,730	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 9.4% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 8.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 80% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
68	Act 13, Abatement through 12/31/2007, 8.4% PSF	30,319	2,464	59	(1,570)	465	-	-	-	-	31,737	9	45
73	Delayed Act 13, Abatement through 12/31/2007, 9.6% PSF	30,318	2,468	59	(1,567)	470	5	(5)	-	-	31,748	13	63
78	$50k Increases, Abatement through 12/31/2007, 8.6% PSF	30,285	2,455	59	(1,552)	469	4	(4)	-	-	31,715	18	90
83	$100k Increases, Abatement through 12/31/2007, 8.4% PSF	30,314	2,462	59	(1,571)	468	3	(3)	-	-	31,732	10	48
88	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	30,349	2,475	59	(1,576)	469	3	(4)	-	-	31,776	8	41
93	HAP 3-Step, Abatement through 12/31/2007, 8.4% PSF	30,312	2,460	59	(1,570)	468	3	(3)	-	-	31,730	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 9.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 8.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

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Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	90%

PSF Applied Incrementally at 90% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
9	Act 13, Abatement through 12/31/2007, 8.8% PSF	31,442	2,489	59	(1,757)	523	-	-	-	-	32,756	10	51
14	Delayed Act 13, Abatement through 12/31/2007, 8.8% PSF	31,410	2,471	59	(1,753)	529	6	(6)	-	-	32,716	14	71
19	$50K Increases, Abatement through 12/31/2007, 8.8% PSF	31,385	2,470	59	(1,737)	528	4	(4)	-	-	32,705	21	103
24	$100K Increases, Abatement through 12/31/2007, 8.8% PSF	31,434	2,482	59	(1,758)	526	3	(3)	-	-	32,744	11	55
29	HAP 1-Step, Abatement through 12/31/2007, 8.9% PSF	31,449	2,483	59	(1,763)	527	4	(4)	-	-	32,755	9	46
34	HAP 3-Step, Abatement through 12/31/2007, 8.8% PSF	31,427	2,479	59	(1,757)	527	3	(3)	-	-	32,735	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.8% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.8% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 8.8% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 8.8% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 8.9% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.8% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 90% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
39	Act 13, Abatement through 12/31/2007, 8.9% PSF	31,438	2,489	59	(1,757)	523	-	-	-	-	32,752	10	51
44	Delayed Act 13, Abatement through 12/31/2007, 10.1% PSF	31,425	2,491	59	(1,753)	529	6	(6)	-	-	32,751	14	71
49	$50k Increases, Abatement through 12/31/2007, 8.9% PSF	31,384	2,475	59	(1,737)	528	4	(4)	-	-	32,709	21	103
54	$100k Increases, Abatement through 12/31/2007, 8.9% PSF	31,430	2,482	59	(1,758)	526	3	(3)	-	-	32,739	11	55
59	HAP 1-Step, Abatement through 12/31/2007, 9.8% PSF	31,458	2,487	59	(1,763)	527	4	(4)	-	-	32,768	9	46
64	HAP 3-Step, Abatement through 12/31/2007, 8.9% PSF	31,423	2,479	59	(1,757)	527	3	(3)	-	-	32,731	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.9% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 10.1% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 8.9% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 8.9% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.8% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.9% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 90% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
69	Act 13, Abatement through 12/31/2007, 9.0% PSF	31,432	2,488	59	(1,757)	523	-	-	-	-	32,745	10	51
74	Delayed Act 13, Abatement through 12/31/2007, 11.3% PSF	31,406	2,486	59	(1,753)	529	6	(6)	-	-	32,728	14	71
79	$50k Increases, Abatement through 12/31/2007, 9.1% PSF	31,374	2,469	59	(1,737)	528	4	(4)	-	-	32,694	21	103
84	$100k Increases, Abatement through 12/31/2007, 9.0% PSF	31,423	2,481	59	(1,758)	526	3	(3)	-	-	32,732	11	55
89	HAP 1-Step, Abatement through 12/31/2007, 10.2% PSF	31,446	2,486	59	(1,763)	527	4	(4)	-	-	32,755	9	46
94	HAP 3-Step, Abatement through 12/31/2007, 9.0% PSF	31,416	2,478	59	(1,757)	527	3	(3)	-	-	32,724	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.0% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 11.3% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 9.1% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 9.0% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 10.2% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 9.0% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

Note

Page numbers noted above are for the corresponding page in Exhibit 1 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	Some Softening, Then Steady
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	100%

PSF Applied Incrementally at 100% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
10	Act 13, Abatement through 12/31/2007, 9.4% PSF	32,549	2,507	59	(1,940)	581	-	-	-	-	33,757	12	58
15	Delayed Act 13, Abatement through 12/31/2007, 9.3% PSF	32,512	2,493	59	(1,935)	588	7	(7)	-	-	33,717	16	80
20	$50K Increases, Abatement through 12/31/2007, 9.2% PSF	32,491	2,509	59	(1,917)	586	5	(5)	-	-	33,729	23	115
25	$100K Increases, Abatement through 12/31/2007, 9.4% PSF	32,540	2,503	59	(1,941)	585	3	(3)	-	-	33,746	12	62
30	HAP 1-Step, Abatement through 12/31/2007, 9.4% PSF	32,554	2,495	59	(1,946)	586	4	(4)	-	-	33,748	10	52
35	HAP 3-Step, Abatement through 12/31/2007, 9.4% PSF	32,533	2,503	59	(1,939)	585	4	(4)	-	-	33,741	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.4% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 9.3% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 9.2% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 9.4% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.4% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 9.4% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 100% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
40	Act 13, Abatement through 12/31/2007, 9.6% PSF	32,537	2,507	59	(1,940)	581	-	-	-	-	33,745	12	58
45	Delayed Act 13, Abatement through 12/31/2007, 11.0% PSF	32,518	2,515	59	(1,935)	588	7	(7)	-	-	33,744	16	80
50	$50k Increases, Abatement through 12/31/2007, 9.5% PSF	32,483	2,513	59	(1,917)	586	5	(5)	-	-	33,725	23	115
55	$100k Increases, Abatement through 12/31/2007, 9.6% PSF	32,529	2,502	59	(1,941)	585	3	(3)	-	-	33,734	12	62
60	HAP 1-Step, Abatement through 12/31/2007, 10.9% PSF	32,553	2,501	59	(1,946)	586	4	(4)	-	-	33,752	10	52
65	HAP 3-Step, Abatement through 12/31/2007, 9.5% PSF	32,522	2,501	59	(1,939)	585	4	(4)	-	-	33,728	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.6% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 11.0% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 9.5% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 9.6% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 10.9% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 9.5% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 100% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
70	Act 13, Abatement through 12/31/2007, 10.2% PSF	32,519	2,505	59	(1,940)	581	-	-	-	-	33,725	12	58
75	Delayed Act 13, Abatement through 12/31/2007, 20.7% PSF	32,484	2,490	59	(1,935)	588	7	(7)	-	-	33,686	16	80
80	$50k Increases, Abatement through 12/31/2007, 10.1% PSF	32,460	2,497	59	(1,917)	586	5	(5)	-	-	33,686	23	115
85	$100k Increases, Abatement through 12/31/2007, 10.2% PSF	32,511	2,500	59	(1,941)	585	3	(3)	-	-	33,713	12	62
90	HAP 1-Step, Abatement through 12/31/2007, 13.8% PSF	32,529	2,499	59	(1,946)	586	4	(4)	-	-	33,727	10	52
95	HAP 3-Step, Abatement through 12/31/2007, 10.1% PSF	32,503	2,496	59	(1,939)	585	4	(4)	-	-	33,704	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.2% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 20.7% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 10.1% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 10.2% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 13.8% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.1% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

Note

Page numbers noted above are for the corresponding page in Exhibit 1 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	Some Softening, Then Steady
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	110%

PSF Applied Incrementally at 110% PwC Mcare Projections, PSF NOT at least Assessment

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
11	Act 13, Abatement through 12/31/2007, 10.1% PSF	33,649	2,522	59	(2,122)	639	-	-	-	-	34,748	13	64
16	Delayed Act 13, Abatement through 12/31/2007, 9.9% PSF	33,613	2,519	59	(2,117)	647	7	(7)	-	-	34,720	18	89
21	$50K Increases, Abatement through 12/31/2007, 9.7% PSF	33,594	2,540	59	(2,097)	645	5	(5)	-	-	34,741	25	127
26	$100K Increases, Abatement through 12/31/2007, 10.0% PSF	33,641	2,520	59	(2,123)	643	4	(4)	-	-	34,739	14	69
31	HAP 1-Step, Abatement through 12/31/2007, 10.1% PSF	33,655	2,509	59	(2,129)	644	5	(5)	-	-	34,738	12	59
36	HAP 3-Step, Abatement through 12/31/2007, 10.0% PSF	33,634	2,522	59	(2,122)	644	4	(4)	-	-	34,736	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.1% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 9.9% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 9.7% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 10.0% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 10.1% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.0% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 110% PwC Mcare Projections, PSF at least 56% of Assessment

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
41	Act 13, Abatement through 12/31/2007, 10.5% PSF	33,630	2,522	59	(2,122)	639	-	-	-	-	34,728	13	64
46	Delayed Act 13, Abatement through 12/31/2007, 12.0% PSF	33,608	2,534	59	(2,117)	647	7	(7)	-	-	34,730	18	89
51	$50k Increases, Abatement through 12/31/2007, 10.3% PSF	33,577	2,543	59	(2,097)	645	5	(5)	-	-	34,727	25	127
56	$100k Increases, Abatement through 12/31/2007, 10.4% PSF	33,622	2,519	59	(2,123)	643	4	(4)	-	-	34,720	14	69
61	HAP 1-Step, Abatement through 12/31/2007, 12.4% PSF	33,644	2,512	59	(2,129)	644	5	(5)	-	-	34,730	12	59
66	HAP 3-Step, Abatement through 12/31/2007, 10.3% PSF	33,615	2,520	59	(2,122)	644	4	(4)	-	-	34,716	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.5% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 12.0% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 10.3% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 10.4% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 12.4% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.3% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 110% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
71	Act 13, Abatement through 12/31/2007, 14.0% PSF	33,598	2,512	59	(2,122)	639	-	-	-	-	34,686	13	64
76	Delayed Act 13, Abatement through 12/31/2007, NF* PSF	33,360	2,522	290	(2,117)	647	7	(7)	-	-	34,701	(505)	89
81	$50k Increases, Abatement through 12/31/2007, 13.4% PSF	33,539	2,504	59	(2,097)	645	5	(5)	-	-	34,650	25	127
86	$100k Increases, Abatement through 12/31/2007, 13.0% PSF	33,589	2,507	59	(2,123)	643	4	(4)	-	-	34,675	14	69
91	HAP 1-Step, Abatement through 12/31/2007, NF* PSF	33,551	2,514	121	(2,129)	644	5	(5)	-	-	34,700	(134)	59
96	HAP 3-Step, Abatement through 12/31/2007, 19.6% PSF	33,581	2,501	59	(2,122)	644	4	(4)	-	-	34,664	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 14.0% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, NF* PSF	96%	7%	1%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 13.4% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 13.0% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, NF* PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 19.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

Note

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Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,201	2,444	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,730		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	39	-	39	1,325
2007	1,009	233	2	1,244	1,009	108	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	(212)	1,207	8.0%	42	147	189	-	1,396	-	(0)	374	374	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	(206)	1,303	8.0%	42	145	187	-	1,491	-	(0)	417	417	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	(204)	1,407	8.0%	42	140	182	-	1,589	-	(0)	463	463	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	(333)	1,520	8.0%	42	261	303	-	1,823	-	(0)	387	387	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	(330)	1,641	8.0%	42	247	289	-	1,930	-	(0)	318	318	-	-	-	678
2013	1,849	188	-	2,037	1,849	237	(315)	1,772	8.0%	42	223	265	-	2,037	-	(0)	267	267	-	-	-	527
2014	1,996	155	-	2,151	1,996	207	(288)	1,914	8.0%	-	237	237	-	2,151	-	(0)	197	197	-	-	-	402
2015	2,153	119	-	2,272	2,153	171	(258)	2,067	8.0%	-	206	206	-	2,272	-	(0)	153	153	-	-	-	306
2016	2,323	88	-	2,411	2,323	131	(223)	2,232	8.0%	-	180	180	-	2,411	-	(0)	129	129	-	-	-	235
2017	2,507	65	-	2,572	2,507	96	(194)	2,410	8.0%	-	163	163	-	2,572	-	(0)	119	119	-	-	-	183
2018	2,706	48	-	2,754	2,706	72	(175)	2,602	8.0%	-	151	151	-	2,754	-	(0)	116	116	-	-	-	145
2019	2,920	37	-	2,956	2,920	53	(163)	2,810	8.0%	-	146	146	-	2,956	-	(0)	116	116	-	-	-	117
2020	3,151	28	-	3,179	3,151	40	(157)	3,034	8.0%	-	144	144	-	3,179	-	(0)	114	114	-	-	-	95
2021	3,400	22	-	3,422	3,400	31	(154)	3,276	8.0%	-	146	146	-	3,422	-	(0)	109	109	-	-	-	78
2022	3,670	18	-	3,688	3,670	24	(156)	3,538	8.0%	-	149	149	-	3,688	-	(0)	97	97	-	-	-	65
2023	3,960	14	-	3,974	3,960	20	(159)	3,821	8.0%	-	154	154	-	3,974	-	(0)	77	77	-	-	-	54
2024	4,274	11	-	4,285	4,274	15	(164)	4,126	8.0%	-	160	160	-	4,285	-	(0)	48	48	-	-	-	46
2025	4,613	9	-	4,622	4,613	12	(170)	4,455	8.0%	-	167	167	-	4,622	-	(0)	8	8	-	-	-	39
	48,588	2,419	2	51,010	48,588	2,639	(3,861)	47,367		336	3,245	3,581	3	50,950	-				39	39		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,319	2,464	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,737		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	82	-	82	1,537
2007	1,009	267	4	1,280	1,009	109	-	1,119	0.4%	42	113	155	0	1,275	(6)	0	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	(263)	1,213	8.4%	42	195	237	-	1,450	-	0	292	292	-	6	-	1,442
2009	1,273	274	-	1,547	1,273	294	(253)	1,314	8.4%	42	191	233	-	1,547	-	0	286	286	-	-	-	1,331
2010	1,371	279	-	1,651	1,371	302	(248)	1,425	8.4%	42	184	226	-	1,651	-	0	283	283	-	-	-	1,193
2011	1,633	273	-	1,906	1,633	307	(396)	1,544	8.4%	42	320	362	-	1,906	-	0	140	140	56	-	56	983
2012	1,763	251	3	2,016	1,763	304	(393)	1,674	8.4%	42	301	343	-	2,016	-	0	10	10	91	-	147	786
2013	1,903	218	8	2,128	1,903	285	(373)	1,814	8.4%	42	176	218	-	2,032	(97)	(97)	-	(97)	72	-	219	611
2014	2,054	180	11	2,245	2,054	253	(340)	1,966	8.4%	-	161	161	-	2,128	(117)	(214)	-	(214)	88	-	307	466
2015	2,217	138	16	2,371	2,217	216	(301)	2,131	8.4%	-	157	157	-	2,288	(83)	(297)	-	(297)	61	-	368	354
2016	2,393	102	19	2,514	2,393	173	(256)	2,310	8.4%	-	153	153	-	2,463	(51)	(348)	-	(348)	35	-	402	273
2017	2,583	75	21	2,680	2,583	135	(214)	2,504	8.4%	-	149	149	-	2,653	(27)	(375)	-	(375)	15	-	417	213
2018	2,789	56	22	2,867	2,789	107	(182)	2,714	8.4%	-	146	146	-	2,860	(7)	(381)	-	(381)	-	2	415	168
2019	3,011	42	22	3,075	3,011	85	(155)	2,942	8.4%	-	143	143	-	3,084	9	(372)	-	(372)	-	16	399	135
2020	3,251	32	21	3,304	3,251	70	(132)	3,188	8.4%	-	140	140	-	3,328	24	(348)	-	(348)	-	29	370	110
2021	3,510	25	19	3,554	3,510	57	(110)	3,456	8.4%	-	137	137	-	3,592	38	(310)	-	(310)	-	42	328	91
2022	3,789	21	17	3,827	3,789	47	(90)	3,746	8.4%	-	134	134	-	3,879	52	(258)	-	(258)	-	56	273	75
2023	4,091	16	14	4,122	4,091	38	(70)	4,060	8.4%	-	131	131	-	4,191	69	(189)	-	(189)	-	72	201	63
2024	4,417	13	11	4,441	4,417	30	(46)	4,401	8.4%	-	128	128	-	4,529	88	(101)	-	(101)	-	90	111	53
2025	4,769	11	6	4,786	4,769	21	(20)	4,770	8.4%	-	117	117	-	4,886	101	(0)	9	9	-	111	-	45
	49,996	2,764	215	52,976	49,996	3,250	(3,842)	49,404		336	3,174	3,510	3	52,917	-				499	499		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,442	2,489	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,756		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	123	-	123	1,746
2007	1,009	286	6	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,296	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	(300)	1,219	8.8%	42	245	287	-	1,506	-	(0)	225	225	37	-	106	1,653
2009	1,294	311	6	1,610	1,294	338	(305)	1,327	8.8%	42	241	283	-	1,610	-	(0)	170	170	30	-	135	1,528
2010	1,394	320	7	1,722	1,394	349	(299)	1,444	8.8%	42	235	277	-	1,722	-	(0)	116	116	22	-	157	1,369
2011	1,677	315	8	2,001	1,677	362	(467)	1,572	8.8%	42	293	335	-	1,907	(93)	(93)	-	(93)	161	-	318	1,126
2012	1,811	288	17	2,116	1,811	365	(465)	1,711	8.8%	42	172	214	-	1,925	(191)	(284)	-	(284)	146	-	464	899
2013	1,956	250	24	2,230	1,956	344	(437)	1,863	8.8%	42	167	209	-	2,071	(159)	(443)	-	(443)	119	-	583	699
2014	2,112	206	31	2,348	2,112	309	(393)	2,027	8.8%	-	162	162	-	2,189	(159)	(602)	-	(602)	125	-	709	533
2015	2,280	158	37	2,476	2,280	267	(341)	2,207	8.8%	-	157	157	-	2,364	(112)	(714)	-	(714)	86	-	795	405
2016	2,463	116	42	2,621	2,463	220	(281)	2,402	8.8%	-	153	153	-	2,555	(65)	(779)	-	(779)	46	-	841	312
2017	2,660	86	44	2,790	2,660	176	(221)	2,615	8.8%	-	150	150	-	2,764	(26)	(804)	-	(804)	12	-	853	243
2018	2,872	64	45	2,981	2,872	144	(170)	2,846	8.8%	-	146	146	-	2,992	11	(794)	-	(794)	-	21	832	193
2019	3,102	49	44	3,194	3,102	118	(123)	3,098	8.8%	-	143	143	-	3,241	46	(747)	-	(747)	-	54	778	154
2020	3,350	37	41	3,428	3,350	98	(77)	3,372	8.8%	-	140	140	-	3,511	84	(664)	-	(664)	-	89	689	126
2021	3,619	29	36	3,684	3,619	80	(29)	3,670	8.8%	-	137	137	-	3,807	123	(541)	-	(541)	-	128	562	104
2022	3,908	24	29	3,962	3,908	64	-	3,973	8.2%	-	134	134	-	4,106	145	(396)	-	(396)	-	149	413	86
2023	4,222	19	22	4,262	4,222	50	-	4,271	7.5%	-	131	131	-	4,402	140	(256)	-	(256)	-	143	270	71
2024	4,560	15	14	4,589	4,560	36	-	4,596	7.6%	-	128	128	-	4,724	135	(120)	-	(120)	-	137	132	60
2025	4,925	12	7	4,944	4,925	24	-	4,949	7.7%	-	115	115	-	5,065	120	(0)	10	10	-	132	-	51
	51,405	3,109	464	54,977	51,405	3,899	(3,908)	51,396		336	3,183	3,519	3	54,917	-				907	907		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,549	2,507	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,757		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	164	-	164	1,951
2007	1,009	286	9	1,304	1,009	112	-	1,121	0.6%	42	135	177	0	1,298	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	(315)	1,227	9.4%	42	293	335	-	1,562	-	(0)	179	179	81	-	197	1,880
2009	1,315	348	10	1,673	1,315	381	(353)	1,342	9.4%	42	289	331	-	1,673	-	(0)	79	79	73	-	269	1,740
2010	1,417	363	14	1,794	1,417	398	(346)	1,468	9.4%	42	262	304	-	1,772	(22)	(22)	-	(22)	64	-	334	1,557
2011	1,721	360	18	2,099	1,721	419	(534)	1,607	9.4%	42	178	220	-	1,827	(272)	(294)	-	(294)	217	-	550	1,280
2012	1,859	328	29	2,217	1,859	428	(530)	1,758	9.4%	42	173	215	-	1,973	(244)	(538)	-	(538)	192	-	743	1,021
2013	2,009	285	39	2,333	2,009	404	(489)	1,923	9.4%	42	168	210	-	2,133	(199)	(738)	-	(738)	154	-	896	793
2014	2,170	233	47	2,450	2,170	365	(430)	2,105	9.4%	-	163	163	-	2,267	(183)	(921)	-	(921)	145	-	1,042	605
2015	2,344	180	55	2,578	2,344	316	(358)	2,303	9.4%	-	158	158	-	2,461	(118)	(1,038)	-	(1,038)	89	-	1,130	459
2016	2,532	132	59	2,723	2,532	263	(276)	2,520	9.4%	-	154	154	-	2,673	(50)	(1,088)	-	(1,088)	29	-	1,159	354
2017	2,736	97	61	2,894	2,736	212	(191)	2,757	9.4%	-	150	150	-	2,907	13	(1,075)	-	(1,075)	-	28	1,131	276
2018	2,956	73	59	3,088	2,956	172	(112)	3,016	9.4%	-	146	146	-	3,163	75	(1,001)	-	(1,001)	-	86	1,044	218
2019	3,193	55	55	3,303	3,193	140	(33)	3,301	9.4%	-	143	143	-	3,443	140	(860)	-	(860)	-	149	895	175
2020	3,450	41	47	3,539	3,450	112	-	3,563	7.9%	-	140	140	-	3,703	164	(697)	-	(697)	-	170	725	143
2021	3,728	33	38	3,799	3,728	87	-	3,815	7.1%	-	137	137	-	3,952	153	(543)	-	(543)	-	158	567	118
2022	4,028	27	30	4,084	4,028	69	-	4,097	7.4%	-	134	134	-	4,230	146	(397)	-	(397)	-	150	417	97
2023	4,352	21	22	4,395	4,352	54	-	4,406	7.5%	-	131	131	-	4,537	141	(256)	-	(256)	-	145	272	81
2024	4,703	17	14	4,734	4,703	39	-	4,742	7.6%	-	128	128	-	4,870	136	(120)	-	(120)	-	139	133	68
2025	5,081	14	7	5,102	5,081	27	-	5,108	7.7%	-	114	114	-	5,222	120	-	12	12	-	133	-	58
	52,813	3,453	619	56,884	52,813	4,445	(3,967)	53,291		336	3,196	3,532	3	56,825	-				1,208	1,208		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,649	2,522	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,748		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	206	-	206	2,156
2007	1,009	286	11	1,306	1,009	113	-	1,122	0.7%	42	136	178	0	1,301	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	(328)	1,235	10.1%	42	340	382	-	1,617	-	0	134	134	125	-	287	2,106
2009	1,335	385	15	1,735	1,335	424	(400)	1,359	10.1%	42	324	366	-	1,725	(10)	(10)	-	(10)	113	-	400	1,952
2010	1,440	406	21	1,867	1,440	446	(390)	1,496	10.1%	42	185	227	-	1,723	(144)	(154)	-	(154)	103	-	503	1,746
2011	1,766	406	26	2,198	1,766	476	(595)	1,646	10.1%	42	180	222	-	1,868	(329)	(483)	-	(483)	267	-	770	1,434
2012	1,908	369	40	2,317	1,908	491	(587)	1,812	10.1%	42	174	216	-	2,028	(289)	(772)	-	(772)	231	-	1,001	1,143
2013	2,062	320	53	2,434	2,062	464	(531)	1,994	10.1%	42	169	211	-	2,205	(229)	(1,001)	-	(1,001)	178	-	1,178	887
2014	2,228	261	62	2,550	2,228	420	(452)	2,195	10.1%	-	163	163	-	2,358	(192)	(1,193)	-	(1,193)	150	-	1,328	677
2015	2,408	201	70	2,679	2,408	363	(355)	2,416	10.1%	-	159	159	-	2,574	(104)	(1,297)	-	(1,297)	72	-	1,400	514
2016	2,602	147	73	2,823	2,602	302	(245)	2,659	10.1%	-	154	154	-	2,813	(10)	(1,307)	-	(1,307)	-	14	1,386	395
2017	2,812	109	73	2,994	2,812	242	(128)	2,926	10.1%	-	150	150	-	3,077	83	(1,223)	-	(1,223)	-	101	1,285	309
2018	3,039	82	67	3,188	3,039	194	(12)	3,221	10.1%	-	147	147	-	3,368	179	(1,044)	-	(1,044)	-	192	1,093	244
2019	3,285	62	57	3,404	3,285	153	-	3,437	6.7%	-	143	143	-	3,581	177	(867)	-	(867)	-	187	906	195
2020	3,550	46	48	3,644	3,550	120	-	3,670	6.8%	-	140	140	-	3,810	167	(700)	-	(700)	-	174	732	160
2021	3,837	36	38	3,912	3,837	93	-	3,930	7.1%	-	137	137	-	4,067	155	(545)	-	(545)	-	161	572	132
2022	4,147	30	30	4,207	4,147	73	-	4,220	7.4%	-	134	134	-	4,354	147	(398)	-	(398)	-	152	420	109
2023	4,483	24	22	4,529	4,483	57	-	4,540	7.6%	-	131	131	-	4,671	142	(256)	-	(256)	-	146	274	91
2024	4,845	19	14	4,879	4,845	42	-	4,887	7.7%	-	128	128	-	5,016	137	(119)	-	(119)	-	140	134	76
2025	5,237	16	7	5,260	5,237	29	-	5,266	7.8%	-	113	113	-	5,379	119	0	13	13	-	134	-	64
	54,221	3,797	737	58,754	54,221	4,950	(4,023)	55,148		336	3,208	3,544	3	58,695	-				1,443	1,443		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,195	2,443	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,731		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	46	-	46	1,360
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	46	-	1,401
2008	1,030	236	-	1,265	1,030	256	(79)	1,207	8.0%	42	16	58	-	1,265	-	(0)	506	506	-	-	-	1,429
2009	1,107	245	-	1,352	1,107	259	(62)	1,304	8.0%	42	6	48	-	1,352	-	(0)	692	692	-	-	-	1,440
2010	1,349	259	-	1,608	1,349	270	(211)	1,408	8.0%	42	158	200	-	1,608	-	(0)	731	731	-	-	-	1,370
2011	1,453	272	-	1,724	1,453	285	(218)	1,520	8.0%	42	163	205	-	1,724	-	(0)	764	764	-	-	-	1,264
2012	1,565	276	-	1,841	1,565	299	(222)	1,641	8.0%	42	157	199	-	1,841	-	(0)	800	800	-	-	-	1,131
2013	1,849	266	-	2,115	1,849	303	(381)	1,772	8.0%	42	301	343	-	2,115	-	(0)	690	690	-	-	-	926
2014	1,996	241	-	2,237	1,996	292	(374)	1,914	8.0%	-	323	323	-	2,237	-	(0)	551	551	-	-	-	735
2015	2,153	207	-	2,361	2,153	265	(352)	2,066	8.0%	-	294	294	-	2,361	-	(0)	432	432	-	-	-	569
2016	2,323	172	-	2,496	2,323	228	(321)	2,231	8.0%	-	264	264	-	2,496	-	(0)	334	334	-	-	-	429
2017	2,507	132	-	2,639	2,507	189	(287)	2,409	8.0%	-	230	230	-	2,639	-	(0)	265	265	-	-	-	322
2018	2,706	95	-	2,801	2,706	145	(249)	2,601	8.0%	-	199	199	-	2,801	-	(0)	220	220	-	-	-	245
2019	2,920	69	-	2,989	2,920	105	(215)	2,809	8.0%	-	180	180	-	2,989	-	(0)	190	190	-	-	-	189
2020	3,151	51	-	3,202	3,151	76	(194)	3,033	8.0%	-	169	169	-	3,202	-	(0)	168	168	-	-	-	149
2021	3,400	39	-	3,439	3,400	56	(181)	3,275	8.0%	-	164	164	-	3,439	-	(0)	146	146	-	-	-	118
2022	3,670	29	-	3,699	3,670	43	(176)	3,537	8.0%	-	162	162	-	3,699	-	(0)	123	123	-	-	-	95
2023	3,960	22	-	3,983	3,960	32	(173)	3,819	8.0%	-	164	164	-	3,983	-	(0)	94	94	-	-	-	78
2024	4,274	18	-	4,292	4,274	24	(175)	4,124	8.0%	-	168	168	-	4,292	-	(0)	58	58	-	-	-	65
2025	4,613	14	-	4,627	4,613	20	(180)	4,453	8.0%	-	174	174	-	4,627	-	(0)	11	11	-	-	-	54
	48,024	3,098	2	51,125	48,024	3,381	(4,051)	47,355		336	3,373	3,709	3	51,066	-				46	46		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,299	2,456	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,717		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	90	-	90	1,577
2007	1,009	267	5	1,281	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	63	26	1,625
2008	1,030	270	1	1,300	1,030	295	(112)	1,213	8.4%	42	46	88	-	1,300	-	(0)	442	442	-	26	-	1,657
2009	1,107	282	-	1,389	1,107	296	(89)	1,314	8.4%	42	32	74	-	1,389	-	(0)	601	601	-	-	-	1,669
2010	1,371	301	-	1,672	1,371	310	(257)	1,425	8.4%	42	206	248	-	1,672	-	(0)	589	589	-	-	-	1,586
2011	1,478	317	-	1,794	1,478	331	(264)	1,544	8.4%	42	208	250	-	1,794	-	(0)	570	570	-	-	-	1,460
2012	1,592	320	-	1,911	1,592	348	(267)	1,673	8.4%	42	196	238	-	1,911	-	(0)	560	560	-	-	-	1,304
2013	1,903	307	-	2,210	1,903	352	(441)	1,814	8.4%	42	354	396	-	2,210	-	(0)	387	387	-	-	-	1,066
2014	2,054	278	-	2,331	2,054	338	(426)	1,966	8.4%	-	366	366	-	2,331	-	(0)	193	193	-	-	-	847
2015	2,217	239	-	2,456	2,217	306	(392)	2,130	8.4%	-	326	326	-	2,456	-	(0)	28	28	103	-	103	655
2016	2,393	198	5	2,597	2,393	269	(354)	2,309	8.4%	-	183	183	-	2,492	(105)	(105)	-	(105)	100	-	203	494
2017	2,583	152	11	2,746	2,583	230	(311)	2,502	8.4%	-	151	151	-	2,653	(93)	(197)	-	(197)	68	-	271	371
2018	2,789	110	14	2,913	2,789	182	(260)	2,712	8.4%	-	147	147	-	2,859	(54)	(251)	-	(251)	36	-	308	282
2019	3,011	80	16	3,107	3,011	139	(210)	2,939	8.4%	-	144	144	-	3,083	(24)	(275)	-	(275)	11	-	319	218
2020	3,251	59	17	3,326	3,251	106	(171)	3,185	8.4%	-	140	140	-	3,326	(0)	(276)	-	(276)	-	9	310	172
2021	3,510	45	16	3,571	3,510	82	(140)	3,452	8.4%	-	137	137	-	3,589	19	(257)	-	(257)	-	26	285	136
2022	3,789	33	15	3,837	3,789	66	(113)	3,742	8.4%	-	134	134	-	3,876	38	(219)	-	(219)	-	43	241	110
2023	4,091	26	13	4,129	4,091	51	(87)	4,055	8.4%	-	131	131	-	4,186	57	(162)	-	(162)	-	61	180	90
2024	4,417	21	9	4,447	4,417	39	(61)	4,395	8.4%	-	128	128	-	4,523	76	(86)	-	(86)	-	79	101	75
2025	4,769	16	5	4,790	4,769	28	(34)	4,763	8.4%	-	113	113	-	4,876	86	0	13	13	-	101	-	63
	49,352	3,540	128	53,020	49,352	4,002	(3,988)	49,366		336	3,256	3,592	3	52,961	-				409	409		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,410	2,471	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,716		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	132	-	132	1,791
2007	1,009	286	7	1,303	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	40	92	1,859
2008	1,030	304	5	1,338	1,030	320	(131)	1,219	8.8%	42	77	119	-	1,338	-	(0)	394	394	-	92	-	1,896
2009	1,107	319	-	1,426	1,107	334	(115)	1,326	8.8%	42	58	100	-	1,426	-	(0)	525	525	-	-	-	1,908
2010	1,394	344	-	1,738	1,394	351	(302)	1,443	8.8%	42	253	295	-	1,738	-	(0)	462	462	-	-	-	1,811
2011	1,502	364	-	1,866	1,502	379	(311)	1,570	8.8%	42	254	296	-	1,866	-	(0)	392	392	-	-	-	1,662
2012	1,619	365	-	1,984	1,619	400	(311)	1,709	8.8%	42	234	276	-	1,984	-	(0)	337	337	-	-	-	1,483
2013	1,956	351	-	2,306	1,956	402	(498)	1,859	8.8%	42	405	447	-	2,306	-	(0)	105	105	137	-	137	1,211
2014	2,112	316	7	2,435	2,112	394	(482)	2,023	8.8%	-	271	271	-	2,294	(141)	(141)	-	(141)	196	-	333	962
2015	2,280	272	17	2,570	2,280	367	(446)	2,201	8.8%	-	161	161	-	2,362	(208)	(349)	-	(349)	164	-	497	743
2016	2,463	225	26	2,714	2,463	328	(395)	2,395	8.8%	-	156	156	-	2,551	(162)	(511)	-	(511)	126	-	623	561
2017	2,660	172	33	2,864	2,660	283	(336)	2,606	8.8%	-	152	152	-	2,758	(106)	(617)	-	(617)	78	-	701	421
2018	2,872	125	37	3,034	2,872	230	(266)	2,836	8.8%	-	148	148	-	2,984	(50)	(667)	-	(667)	30	-	731	321
2019	3,102	90	38	3,231	3,102	180	(196)	3,086	8.8%	-	144	144	-	3,230	(1)	(669)	-	(669)	-	13	718	248
2020	3,350	66	38	3,455	3,350	141	(133)	3,358	8.8%	-	140	140	-	3,498	44	(625)	-	(625)	-	54	664	195
2021	3,619	51	35	3,705	3,619	111	(76)	3,654	8.8%	-	137	137	-	3,791	87	(538)	-	(538)	-	95	569	155
2022	3,908	38	30	3,976	3,908	89	(22)	3,976	8.8%	-	134	134	-	4,110	134	(404)	-	(404)	-	140	430	125
2023	4,222	29	23	4,273	4,222	67	-	4,288	7.9%	-	131	131	-	4,419	146	(258)	-	(258)	-	151	279	103
2024	4,560	23	15	4,598	4,560	48	-	4,608	7.5%	-	129	129	-	4,737	139	(120)	-	(120)	-	142	137	85
2025	4,925	18	7	4,951	4,925	34	-	4,959	7.6%	-	112	112	-	5,070	120	0	14	14	-	137	-	71
	50,680	3,982	317	54,979	50,680	4,692	(4,020)	51,352		336	3,229	3,565	3	54,919	-				864	864		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,512	2,493	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,717		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	174	-	174	2,001
2007	1,009	286	9	1,305	1,009	112	-	1,121	0.6%	42	136	178	0	1,299	(6)	(0)	280	280	-	33	141	2,107
2008	1,030	338	7	1,375	1,030	323	(127)	1,226	9.3%	42	107	149	-	1,375	-	(0)	366	366	-	77	64	2,150
2009	1,107	357	3	1,467	1,107	376	(142)	1,340	9.3%	42	85	127	-	1,467	-	(0)	471	471	-	64	-	2,162
2010	1,417	390	-	1,807	1,417	393	(344)	1,465	9.3%	42	300	342	-	1,807	-	(0)	360	360	50	-	50	2,049
2011	1,527	415	3	1,945	1,527	432	(357)	1,602	9.3%	42	301	343	-	1,945	-	(0)	241	241	84	-	134	1,876
2012	1,646	414	7	2,068	1,646	464	(359)	1,751	9.3%	42	274	316	-	2,068	-	(0)	145	145	55	-	189	1,669
2013	2,009	397	10	2,415	2,009	467	(561)	1,914	9.3%	42	317	359	-	2,274	(141)	(141)	-	(141)	224	-	414	1,362
2014	2,170	355	22	2,547	2,170	460	(537)	2,093	9.3%	-	167	167	-	2,260	(287)	(428)	-	(428)	231	-	644	1,081
2015	2,344	306	34	2,684	2,344	428	(484)	2,288	9.3%	-	162	162	-	2,450	(234)	(662)	-	(662)	185	-	829	835
2016	2,532	252	44	2,828	2,532	385	(415)	2,502	9.3%	-	157	157	-	2,658	(170)	(832)	-	(832)	129	-	958	631
2017	2,736	193	50	2,979	2,736	333	(334)	2,735	9.3%	-	152	152	-	2,887	(92)	(924)	-	(924)	61	-	1,019	474
2018	2,956	140	54	3,150	2,956	271	(237)	2,990	9.3%	-	148	148	-	3,138	(12)	(936)	-	(936)	-	11	1,008	360
2019	3,193	102	53	3,348	3,193	213	(137)	3,269	9.3%	-	144	144	-	3,413	65	(871)	-	(871)	-	81	927	279
2020	3,450	74	49	3,573	3,450	165	(42)	3,574	9.3%	-	141	141	-	3,714	141	(730)	-	(730)	-	153	774	220
2021	3,728	57	41	3,826	3,728	127	-	3,854	7.9%	-	137	137	-	3,992	166	(564)	-	(564)	-	175	599	175
2022	4,028	43	31	4,102	4,028	98	-	4,125	7.0%	-	134	134	-	4,260	158	(407)	-	(407)	-	164	435	141
2023	4,352	33	23	4,408	4,352	72	-	4,424	7.2%	-	131	131	-	4,556	148	(259)	-	(259)	-	153	282	116
2024	4,703	27	15	4,744	4,703	53	-	4,755	7.5%	-	129	129	-	4,884	140	(119)	-	(119)	-	144	138	96
2025	5,081	21	7	5,109	5,081	37	-	5,118	7.6%	-	110	110	-	5,228	119	(0)	16	16	-	138	-	80
	52,007	4,423	461	56,891	52,007	5,331	(4,078)	53,261		336	3,233	3,569	3	56,832	-				1,194	1,194		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,613	2,519	59	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,720		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	217	-	217	2,211
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	0	281	281	-	26	190	2,355
2008	1,030	372	10	1,412	1,030	326	(122)	1,233	9.9%	42	137	179	-	1,412	-	0	339	339	-	49	141	2,403
2009	1,107	395	7	1,509	1,107	418	(169)	1,355	9.9%	42	112	154	-	1,509	-	0	420	420	-	78	63	2,417
2010	1,440	435	3	1,878	1,440	438	(388)	1,489	9.9%	42	347	389	-	1,878	-	0	262	262	132	-	196	2,287
2011	1,552	465	10	2,028	1,552	490	(405)	1,637	9.9%	42	349	391	-	2,028	-	0	97	97	125	-	321	2,089
2012	1,673	464	17	2,154	1,673	530	(405)	1,799	9.9%	42	277	319	-	2,117	(36)	(36)	-	(36)	87	-	407	1,856
2013	2,062	442	21	2,525	2,062	533	(619)	1,977	9.9%	42	174	216	-	2,193	(332)	(369)	-	(369)	264	-	671	1,513
2014	2,228	395	35	2,659	2,228	525	(581)	2,172	9.9%	-	168	168	-	2,341	(318)	(687)	-	(687)	255	-	927	1,201
2015	2,408	340	49	2,797	2,408	488	(509)	2,387	9.9%	-	163	163	-	2,550	(247)	(933)	-	(933)	192	-	1,119	928
2016	2,602	280	59	2,941	2,602	439	(418)	2,623	9.9%	-	157	157	-	2,781	(160)	(1,093)	-	(1,093)	115	-	1,233	700
2017	2,812	214	65	3,090	2,812	379	(309)	2,883	9.9%	-	153	153	-	3,036	(55)	(1,148)	-	(1,148)	20	-	1,253	527
2018	3,039	156	66	3,261	3,039	308	(178)	3,168	9.9%	-	148	148	-	3,316	56	(1,093)	-	(1,093)	-	81	1,173	400
2019	3,285	113	62	3,459	3,285	239	(42)	3,482	9.9%	-	144	144	-	3,626	167	(926)	-	(926)	-	185	988	310
2020	3,550	82	52	3,684	3,550	181	-	3,731	7.2%	-	141	141	-	3,872	188	(738)	-	(738)	-	201	787	244
2021	3,837	63	41	3,942	3,837	136	-	3,973	6.5%	-	138	138	-	4,111	169	(569)	-	(569)	-	179	608	194
2022	4,147	47	32	4,227	4,147	105	-	4,252	7.0%	-	134	134	-	4,387	160	(409)	-	(409)	-	167	440	157
2023	4,483	37	23	4,543	4,483	78	-	4,560	7.2%	-	132	132	-	4,692	149	(259)	-	(259)	-	155	285	129
2024	4,845	30	15	4,890	4,845	57	-	4,902	7.5%	-	129	129	-	5,031	141	(118)	-	(118)	-	146	140	106
2025	5,237	23	7	5,268	5,237	41	-	5,278	7.7%	-	108	108	-	5,386	118	0	18	18	-	140	-	89
	53,335	4,864	586	58,785	53,335	5,950	(4,145)	55,140		336	3,247	3,583	3	58,725	-				1,407	1,407		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,185	2,441	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,730		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	45	-	45	1,351
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	45	-	1,376
2008	1,059	235	-	1,295	1,059	256	(109)	1,207	8.0%	42	45	87	-	1,295	-	(0)	476	476	-	-	-	1,390
2009	1,170	243	-	1,413	1,170	259	(125)	1,303	8.0%	42	68	110	-	1,413	-	(0)	600	600	-	-	-	1,385
2010	1,290	254	-	1,545	1,290	268	(151)	1,407	8.0%	42	95	137	-	1,545	-	(0)	698	698	-	-	-	1,356
2011	1,422	263	-	1,685	1,422	280	(182)	1,520	8.0%	42	123	165	-	1,685	-	(0)	768	768	-	-	-	1,302
2012	1,565	266	-	1,831	1,565	290	(214)	1,641	8.0%	42	148	190	-	1,831	-	(0)	814	814	-	-	-	1,225
2013	1,721	260	-	1,981	1,721	292	(242)	1,772	8.0%	42	167	209	-	1,981	-	(0)	839	839	-	-	-	1,129
2014	1,892	248	-	2,140	1,892	286	(265)	1,913	8.0%	-	227	227	-	2,140	-	(0)	802	802	-	-	-	1,014
2015	2,079	231	-	2,310	2,079	272	(286)	2,066	8.0%	-	245	245	-	2,310	-	(0)	743	743	-	-	-	881
2016	2,283	213	-	2,496	2,283	255	(307)	2,230	8.0%	-	266	266	-	2,496	-	(0)	657	657	-	-	-	737
2017	2,507	190	-	2,697	2,507	234	(333)	2,408	8.0%	-	289	289	-	2,697	-	(0)	541	541	-	-	-	587
2018	2,706	163	-	2,869	2,706	209	(314)	2,600	8.0%	-	268	268	-	2,869	-	(0)	439	439	-	-	-	456
2019	2,920	134	-	3,053	2,920	180	(291)	2,808	8.0%	-	246	246	-	3,053	-	(0)	352	352	-	-	-	348
2020	3,151	105	-	3,255	3,151	147	(266)	3,032	8.0%	-	223	223	-	3,255	-	(0)	281	281	-	-	-	264
2021	3,400	78	-	3,478	3,400	115	(242)	3,274	8.0%	-	204	204	-	3,478	-	(0)	224	224	-	-	-	201
2022	3,670	57	-	3,727	3,670	86	(220)	3,535	8.0%	-	192	192	-	3,727	-	(0)	174	174	-	-	-	155
2023	3,960	42	-	4,002	3,960	63	(206)	3,817	8.0%	-	185	185	-	4,002	-	(0)	126	126	-	-	-	122
2024	4,274	31	-	4,305	4,274	46	(199)	4,121	8.0%	-	184	184	-	4,305	-	(0)	74	74	-	-	-	97
2025	4,613	24	-	4,637	4,613	34	(197)	4,450	8.0%	-	187	187	-	4,637	-	(0)	16	16	-	-	-	79
	47,681	3,493	2	51,177	47,681	3,804	(4,148)	47,337		336	3,441	3,777	3	51,117	-				45	45		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,279	2,450	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,705		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	88	-	88	1,567
2007	1,009	267	5	1,281	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	67	20	1,596
2008	1,064	269	1	1,334	1,064	294	(145)	1,213	8.4%	42	79	121	-	1,334	-	(0)	409	409	-	20	-	1,612
2009	1,179	280	-	1,459	1,179	296	(161)	1,314	8.4%	42	103	145	-	1,459	-	(0)	495	495	-	-	-	1,606
2010	1,305	296	-	1,600	1,305	308	(188)	1,424	8.4%	42	134	176	-	1,600	-	(0)	550	550	-	-	-	1,570
2011	1,442	307	-	1,749	1,442	325	(223)	1,544	8.4%	42	163	205	-	1,749	-	(0)	575	575	-	-	-	1,503
2012	1,592	308	-	1,900	1,592	338	(257)	1,673	8.4%	42	185	227	-	1,900	-	(0)	576	576	-	-	-	1,412
2013	1,756	301	-	2,057	1,756	339	(282)	1,813	8.4%	42	202	244	-	2,057	-	(0)	556	556	-	-	-	1,298
2014	1,935	285	-	2,221	1,935	331	(302)	1,965	8.4%	-	256	256	-	2,221	-	(0)	479	479	-	-	-	1,166
2015	2,132	267	-	2,398	2,132	314	(317)	2,129	8.4%	-	269	269	-	2,398	-	(0)	382	382	-	-	-	1,012
2016	2,347	244	-	2,592	2,347	293	(333)	2,307	8.4%	-	284	284	-	2,592	-	(0)	263	263	-	-	-	846
2017	2,583	218	-	2,802	2,583	269	(352)	2,501	8.4%	-	301	301	-	2,802	-	(0)	119	119	16	-	16	674
2018	2,789	187	1	2,977	2,789	241	(320)	2,710	8.4%	-	267	267	-	2,977	-	(0)	1	1	88	-	103	524
2019	3,011	153	5	3,170	3,011	212	(286)	2,937	8.4%	-	147	147	-	3,084	(86)	(86)	-	(86)	63	-	166	400
2020	3,251	120	9	3,379	3,251	178	(246)	3,183	8.4%	-	142	142	-	3,324	(55)	(141)	-	(141)	35	-	202	303
2021	3,510	89	11	3,609	3,510	143	(204)	3,449	8.4%	-	138	138	-	3,587	(22)	(163)	-	(163)	8	-	209	231
2022	3,789	65	11	3,865	3,789	110	(162)	3,738	8.4%	-	135	135	-	3,873	7	(156)	-	(156)	-	18	192	178
2023	4,091	48	10	4,149	4,091	83	(123)	4,051	8.4%	-	132	132	-	4,183	33	(123)	-	(123)	-	41	151	140
2024	4,417	36	8	4,461	4,417	62	(89)	4,390	8.4%	-	129	129	-	4,519	58	(65)	-	(65)	-	64	87	112
2025	4,769	27	5	4,801	4,769	45	(56)	4,758	8.4%	-	108	108	-	4,866	65	(0)	18	18	-	87	-	90
	48,960	3,991	65	53,016	48,960	4,416	(4,046)	49,330		336	3,288	3,624	3	52,957	-				297	297		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,385	2,470	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,705		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	130	-	130	1,780
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	45	86	1,826
2008	1,068	303	4	1,376	1,068	320	(169)	1,218	8.8%	42	115	157	-	1,376	-	(0)	355	355	-	72	14	1,845
2009	1,188	317	1	1,506	1,188	334	(197)	1,325	8.8%	42	138	180	-	1,506	-	(0)	405	405	-	14	-	1,838
2010	1,319	338	-	1,658	1,319	349	(226)	1,442	8.8%	42	174	216	-	1,658	-	(0)	417	417	-	-	-	1,793
2011	1,462	353	-	1,815	1,462	372	(266)	1,568	8.8%	42	205	247	-	1,815	-	(0)	394	394	-	-	-	1,711
2012	1,619	353	-	1,972	1,619	388	(301)	1,706	8.8%	42	223	265	-	1,972	-	(0)	350	350	-	-	-	1,604
2013	1,791	343	-	2,134	1,791	388	(322)	1,856	8.8%	42	236	278	-	2,134	-	(0)	287	287	7	-	7	1,472
2014	1,979	324	0	2,303	1,979	378	(338)	2,019	8.8%	-	284	284	-	2,303	-	(0)	171	171	86	-	93	1,320
2015	2,185	303	5	2,492	2,185	362	(351)	2,196	8.8%	-	296	296	-	2,492	-	(0)	39	39	97	-	191	1,145
2016	2,411	277	10	2,698	2,411	344	(366)	2,389	8.8%	-	198	198	-	2,587	(111)	(111)	-	(111)	112	-	302	956
2017	2,660	247	16	2,922	2,660	322	(383)	2,599	8.8%	-	155	155	-	2,754	(168)	(279)	-	(279)	130	-	432	762
2018	2,872	212	23	3,107	2,872	296	(341)	2,827	8.8%	-	150	150	-	2,977	(130)	(409)	-	(409)	96	-	527	592
2019	3,102	173	28	3,303	3,102	264	(290)	3,076	8.8%	-	146	146	-	3,222	(82)	(491)	-	(491)	54	-	581	452
2020	3,350	135	31	3,516	3,350	224	(229)	3,346	8.8%	-	142	142	-	3,488	(29)	(519)	-	(519)	7	-	588	343
2021	3,619	101	31	3,751	3,619	183	(162)	3,639	8.8%	-	138	138	-	3,778	27	(492)	-	(492)	-	44	544	261
2022	3,908	74	29	4,011	3,908	142	(92)	3,959	8.8%	-	135	135	-	4,094	83	(409)	-	(409)	-	95	449	202
2023	4,222	55	24	4,300	4,222	107	(22)	4,307	8.8%	-	132	132	-	4,439	139	(270)	-	(270)	-	147	302	159
2024	4,560	41	16	4,616	4,560	78	-	4,637	7.7%	-	129	129	-	4,766	150	(120)	-	(120)	-	156	146	127
2025	4,925	31	8	4,964	4,925	53	-	4,978	7.4%	-	106	106	-	5,084	120	0	21	21	-	146	-	103
	50,239	4,489	231	54,958	50,239	5,141	(4,056)	51,324		336	3,237	3,573	3	54,899	-				718	718		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,491	2,509	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,729		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	172	-	172	1,989
2007	1,009	286	9	1,305	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	38	134	2,071
2008	1,072	338	7	1,417	1,072	323	(170)	1,225	9.2%	42	150	192	-	1,417	-	(0)	323	323	-	38	95	2,093
2009	1,197	355	5	1,557	1,197	377	(236)	1,338	9.2%	42	177	219	-	1,557	-	(0)	336	336	-	15	81	2,084
2010	1,333	383	4	1,721	1,333	395	(266)	1,462	9.2%	42	217	259	-	1,721	-	(0)	305	305	20	-	101	2,029
2011	1,483	403	5	1,891	1,483	428	(313)	1,597	9.2%	42	252	294	-	1,891	-	(0)	235	235	50	-	151	1,930
2012	1,646	400	8	2,054	1,646	452	(353)	1,745	9.2%	42	268	310	-	2,054	-	(0)	146	146	64	-	215	1,804
2013	1,825	388	11	2,225	1,825	453	(372)	1,906	9.2%	42	277	319	-	2,225	-	(0)	43	43	73	-	288	1,652
2014	2,022	365	15	2,402	2,022	444	(384)	2,082	9.2%	-	212	212	-	2,294	(108)	(108)	-	(108)	116	-	403	1,479
2015	2,238	340	21	2,599	2,238	425	(388)	2,275	9.2%	-	165	165	-	2,440	(160)	(267)	-	(267)	120	-	524	1,282
2016	2,475	310	27	2,813	2,475	405	(395)	2,485	9.2%	-	160	160	-	2,645	(167)	(435)	-	(435)	125	-	649	1,070
2017	2,736	276	34	3,046	2,736	379	(400)	2,715	9.2%	-	156	156	-	2,870	(175)	(610)	-	(610)	132	-	781	852
2018	2,956	237	41	3,234	2,956	349	(339)	2,966	9.2%	-	151	151	-	3,117	(117)	(727)	-	(727)	79	-	860	663
2019	3,193	194	45	3,432	3,193	311	(264)	3,240	9.2%	-	147	147	-	3,386	(46)	(773)	-	(773)	15	-	875	506
2020	3,450	151	46	3,647	3,450	264	(175)	3,539	9.2%	-	142	142	-	3,682	35	(739)	-	(739)	-	59	815	384
2021	3,728	113	43	3,883	3,728	213	(74)	3,867	9.2%	-	139	139	-	4,005	122	(617)	-	(617)	-	140	675	293
2022	4,028	83	35	4,146	4,028	163	-	4,191	8.4%	-	135	135	-	4,326	180	(436)	-	(436)	-	193	482	227
2023	4,352	61	25	4,439	4,352	119	-	4,471	6.7%	-	132	132	-	4,603	164	(272)	-	(272)	-	174	308	178
2024	4,703	46	16	4,764	4,703	85	-	4,788	7.1%	-	129	129	-	4,917	152	(120)	-	(120)	-	160	148	142
2025	5,081	35	8	5,124	5,081	59	-	5,140	7.4%	-	103	103	-	5,243	120	(0)	23	23	-	148	-	115
	51,517	4,986	407	56,911	51,517	5,876	(4,128)	53,265		336	3,248	3,584	3	56,852	-				966	966		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,594	2,540	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,741		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	214	-	214	2,198
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	(0)	281	281	-	32	182	2,315
2008	1,077	372	10	1,458	1,077	325	(170)	1,232	9.7%	42	184	226	-	1,458	-	(0)	291	291	-	5	177	2,341
2009	1,206	392	9	1,608	1,206	419	(274)	1,352	9.7%	42	214	256	-	1,608	-	(0)	269	269	20	-	197	2,331
2010	1,348	428	10	1,786	1,348	443	(307)	1,483	9.7%	42	261	303	-	1,786	-	(0)	196	196	60	-	257	2,265
2011	1,503	452	14	1,969	1,503	486	(361)	1,628	9.7%	42	299	341	-	1,969	-	(0)	81	81	92	-	349	2,149
2012	1,673	448	18	2,139	1,673	518	(404)	1,786	9.7%	42	261	303	-	2,089	(50)	(50)	-	(50)	102	-	451	2,004
2013	1,860	433	24	2,317	1,860	519	(418)	1,960	9.7%	42	175	217	-	2,178	(139)	(189)	-	(189)	105	-	556	1,832
2014	2,065	406	29	2,500	2,065	509	(422)	2,151	9.7%	-	171	171	-	2,322	(178)	(367)	-	(367)	139	-	695	1,639
2015	2,291	378	36	2,705	2,291	487	(416)	2,361	9.7%	-	166	166	-	2,527	(178)	(545)	-	(545)	134	-	829	1,419
2016	2,539	344	43	2,926	2,539	463	(411)	2,591	9.7%	-	161	161	-	2,753	(174)	(718)	-	(718)	127	-	955	1,183
2017	2,812	305	50	3,167	2,812	433	(402)	2,844	9.7%	-	157	157	-	3,000	(167)	(886)	-	(886)	119	-	1,074	943
2018	3,039	263	56	3,358	3,039	398	(316)	3,121	9.7%	-	152	152	-	3,272	(86)	(971)	-	(971)	44	-	1,118	733
2019	3,285	214	59	3,558	3,285	354	(213)	3,425	9.7%	-	147	147	-	3,572	14	(957)	-	(957)	-	49	1,069	560
2020	3,550	167	56	3,773	3,550	298	(89)	3,758	9.7%	-	143	143	-	3,901	128	(829)	-	(829)	-	155	914	425
2021	3,837	124	48	4,010	3,837	236	-	4,073	8.4%	-	139	139	-	4,212	203	(626)	-	(626)	-	223	691	324
2022	4,147	91	36	4,275	4,147	177	-	4,324	6.2%	-	136	136	-	4,460	185	(441)	-	(441)	-	199	492	251
2023	4,483	68	26	4,576	4,483	129	-	4,612	6.6%	-	132	132	-	4,744	168	(274)	-	(274)	-	178	313	197
2024	4,845	51	16	4,913	4,845	93	-	4,938	7.1%	-	129	129	-	5,067	155	(119)	-	(119)	-	163	151	157
2025	5,237	38	8	5,284	5,237	64	-	5,302	7.4%	-	101	101	-	5,403	119	0	25	25	-	151	-	127
	52,796	5,484	561	58,841	52,796	6,587	(4,206)	55,177		336	3,265	3,601	3	58,781	-				1,155	1,155		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,200	2,444	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,730		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	43	-	43	1,343
2007	1,009	233	2	1,245	1,009	108	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	43	-	1,348
2008	1,088	235	-	1,322	1,088	256	(137)	1,207	8.0%	42	73	115	-	1,322	-	(0)	448	448	-	-	-	1,316
2009	1,226	242	-	1,468	1,226	258	(181)	1,303	8.0%	42	122	164	-	1,468	-	(0)	517	517	-	-	-	1,239
2010	1,376	248	-	1,624	1,376	266	(234)	1,408	8.0%	42	175	217	-	1,624	-	(0)	532	532	-	-	-	1,113
2011	1,538	248	-	1,786	1,538	273	(291)	1,520	8.0%	42	224	266	-	1,786	-	(0)	495	495	-	-	-	949
2012	1,714	236	-	1,950	1,714	273	(346)	1,641	8.0%	42	267	309	-	1,950	-	(0)	411	411	-	-	-	765
2013	1,849	209	-	2,059	1,849	259	(337)	1,772	8.0%	42	245	287	-	2,059	-	(0)	342	342	-	-	-	598
2014	1,996	174	-	2,169	1,996	230	(312)	1,914	8.0%	-	256	256	-	2,169	-	(0)	257	257	-	-	-	458
2015	2,153	136	-	2,289	2,153	191	(278)	2,067	8.0%	-	223	223	-	2,289	-	(0)	198	198	-	-	-	348
2016	2,323	102	-	2,426	2,323	149	(241)	2,231	8.0%	-	194	194	-	2,426	-	(0)	161	161	-	-	-	265
2017	2,507	75	-	2,582	2,507	112	(210)	2,410	8.0%	-	173	173	-	2,582	-	(0)	142	142	-	-	-	205
2018	2,706	55	-	2,761	2,706	83	(186)	2,602	8.0%	-	159	159	-	2,761	-	(0)	133	133	-	-	-	161
2019	2,920	41	-	2,961	2,920	61	(171)	2,810	8.0%	-	151	151	-	2,961	-	(0)	128	128	-	-	-	129
2020	3,151	32	-	3,183	3,151	45	(162)	3,034	8.0%	-	149	149	-	3,183	-	(0)	123	123	-	-	-	104
2021	3,400	24	-	3,425	3,400	35	(159)	3,276	8.0%	-	149	149	-	3,425	-	(0)	115	115	-	-	-	85
2022	3,670	19	-	3,689	3,670	27	(159)	3,538	8.0%	-	151	151	-	3,689	-	(0)	102	102	-	-	-	70
2023	3,960	15	-	3,976	3,960	21	(162)	3,820	8.0%	-	156	156	-	3,976	-	(0)	80	80	-	-	-	58
2024	4,274	12	-	4,287	4,274	17	(166)	4,125	8.0%	-	161	161	-	4,287	-	(0)	50	50	-	-	-	49
2025	4,613	10	-	4,623	4,613	14	(172)	4,454	8.0%	-	169	169	-	4,623	-	(0)	8	8	-	-	-	41
	48,463	2,570	2	51,036	48,463	2,805	(3,904)	47,364		336	3,274	3,610	3	50,977	-				43	43		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,314	2,462	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,732		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	86	-	86	1,557
2007	1,009	267	4	1,280	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	0	299	299	-	72	14	1,564
2008	1,096	269	1	1,365	1,096	294	(177)	1,213	8.4%	42	110	152	-	1,365	-	0	377	377	-	14	-	1,528
2009	1,243	278	-	1,521	1,243	295	(224)	1,314	8.4%	42	165	207	-	1,521	-	0	401	401	-	-	-	1,440
2010	1,402	289	-	1,691	1,402	305	(283)	1,425	8.4%	42	224	266	-	1,691	-	0	362	362	-	-	-	1,292
2011	1,575	290	-	1,865	1,575	317	(348)	1,544	8.4%	42	278	320	-	1,865	-	0	264	264	-	-	-	1,100
2012	1,763	274	-	2,036	1,763	319	(408)	1,674	8.4%	42	321	363	-	2,036	-	0	117	117	61	-	61	885
2013	1,903	243	3	2,149	1,903	305	(393)	1,814	8.4%	42	283	325	-	2,139	(10)	(10)	-	(10)	87	-	148	691
2014	2,054	201	8	2,262	2,054	276	(363)	1,966	8.4%	-	162	162	-	2,128	(134)	(144)	-	(144)	102	-	250	530
2015	2,217	157	13	2,387	2,217	236	(321)	2,131	8.4%	-	157	157	-	2,288	(99)	(243)	-	(243)	73	-	323	402
2016	2,393	118	17	2,528	2,393	192	(275)	2,310	8.4%	-	153	153	-	2,463	(65)	(308)	-	(308)	46	-	369	307
2017	2,583	87	19	2,690	2,583	151	(231)	2,503	8.4%	-	150	150	-	2,653	(37)	(345)	-	(345)	23	-	392	237
2018	2,789	64	21	2,874	2,789	118	(194)	2,713	8.4%	-	146	146	-	2,859	(14)	(359)	-	(359)	4	-	396	186
2019	3,011	48	21	3,079	3,011	94	(164)	2,941	8.4%	-	143	143	-	3,084	4	(355)	-	(355)	-	12	384	149
2020	3,251	37	20	3,307	3,251	75	(138)	3,188	8.4%	-	140	140	-	3,327	20	(335)	-	(335)	-	26	359	120
2021	3,510	28	19	3,557	3,510	61	(116)	3,455	8.4%	-	137	137	-	3,592	35	(300)	-	(300)	-	39	320	98
2022	3,789	22	17	3,828	3,789	50	(94)	3,745	8.4%	-	134	134	-	3,878	50	(250)	-	(250)	-	54	266	81
2023	4,091	18	14	4,123	4,091	40	(72)	4,059	8.4%	-	131	131	-	4,190	67	(183)	-	(183)	-	69	196	67
2024	4,417	14	10	4,442	4,417	31	(49)	4,399	8.4%	-	128	128	-	4,527	86	(97)	-	(97)	-	88	109	57
2025	4,769	12	6	4,787	4,769	22	(23)	4,768	8.4%	-	116	116	-	4,884	97	0	10	10	-	109	-	48
	49,854	2,937	193	52,983	49,854	3,414	(3,873)	49,395		336	3,191	3,527	3	52,924	-				482	482		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,434	2,482	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,744		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	128	-	128	1,769
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	50	78	1,790
2008	1,104	303	4	1,411	1,104	319	(204)	1,219	8.8%	42	150	192	-	1,411	-	(0)	321	321	-	49	30	1,751
2009	1,260	314	2	1,576	1,260	335	(268)	1,327	8.8%	42	208	250	-	1,576	-	(0)	300	300	1	-	30	1,650
2010	1,429	331	2	1,761	1,429	348	(333)	1,444	8.8%	42	275	317	-	1,761	-	(0)	207	207	58	-	89	1,480
2011	1,612	334	5	1,950	1,612	369	(409)	1,572	8.8%	42	337	379	-	1,950	-	(0)	49	49	114	-	203	1,257
2012	1,811	314	11	2,136	1,811	379	(479)	1,711	8.8%	42	221	263	-	1,974	(162)	(162)	-	(162)	161	-	364	1,011
2013	1,956	278	19	2,253	1,956	366	(460)	1,862	8.8%	42	168	210	-	2,071	(182)	(343)	-	(343)	137	-	501	789
2014	2,112	229	26	2,367	2,112	335	(420)	2,026	8.8%	-	163	163	-	2,189	(178)	(522)	-	(522)	142	-	643	605
2015	2,280	180	34	2,494	2,280	289	(364)	2,205	8.8%	-	158	158	-	2,363	(131)	(653)	-	(653)	102	-	744	459
2016	2,463	135	39	2,636	2,463	241	(303)	2,400	8.8%	-	154	154	-	2,554	(82)	(735)	-	(735)	61	-	805	350
2017	2,660	99	42	2,801	2,660	195	(242)	2,612	8.8%	-	150	150	-	2,762	(38)	(773)	-	(773)	23	-	828	271
2018	2,872	74	43	2,989	2,872	157	(186)	2,843	8.8%	-	146	146	-	2,990	0	(773)	-	(773)	-	12	816	213
2019	3,102	54	43	3,199	3,102	128	(135)	3,095	8.8%	-	143	143	-	3,238	38	(735)	-	(735)	-	47	769	170
2020	3,350	42	40	3,432	3,350	104	(87)	3,368	8.8%	-	140	140	-	3,508	76	(659)	-	(659)	-	82	687	137
2021	3,619	32	36	3,687	3,619	85	(38)	3,666	8.8%	-	137	137	-	3,803	116	(543)	-	(543)	-	121	566	112
2022	3,908	26	30	3,964	3,908	68	-	3,977	8.5%	-	134	134	-	4,110	147	(397)	-	(397)	-	151	415	93
2023	4,222	20	22	4,264	4,222	52	-	4,274	7.5%	-	131	131	-	4,405	141	(256)	-	(256)	-	144	271	77
2024	4,560	16	14	4,590	4,560	38	-	4,598	7.6%	-	128	128	-	4,726	136	(120)	-	(120)	-	138	133	65
2025	4,925	13	7	4,946	4,925	26	-	4,951	7.7%	-	115	115	-	5,066	120	(0)	11	11	-	133	-	55
	51,244	3,303	425	54,972	51,244	4,070	(3,929)	51,384		336	3,190	3,526	3	54,913	-				926	926		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,540	2,503	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,746		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	170	-	170	1,977
2007	1,009	286	9	1,304	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	44	126	2,031
2008	1,112	337	7	1,456	1,112	322	(208)	1,226	9.4%	42	187	229	-	1,456	-	(0)	285	285	-	14	112	1,988
2009	1,277	352	6	1,635	1,277	377	(313)	1,342	9.4%	42	252	294	-	1,635	-	(0)	223	223	40	-	153	1,876
2010	1,456	375	8	1,838	1,456	396	(384)	1,468	9.4%	42	329	371	-	1,838	-	(0)	78	78	105	-	258	1,681
2011	1,649	381	14	2,044	1,649	427	(470)	1,606	9.4%	42	258	300	-	1,905	(138)	(138)	-	(138)	166	-	423	1,425
2012	1,859	357	22	2,239	1,859	444	(547)	1,756	9.4%	42	174	216	-	1,973	(266)	(405)	-	(405)	210	-	634	1,146
2013	2,009	316	33	2,358	2,009	430	(517)	1,921	9.4%	42	169	211	-	2,132	(226)	(630)	-	(630)	175	-	809	893
2014	2,170	259	42	2,472	2,170	394	(462)	2,102	9.4%	-	163	163	-	2,265	(206)	(837)	-	(837)	165	-	974	684
2015	2,344	204	51	2,599	2,344	342	(386)	2,300	9.4%	-	159	159	-	2,458	(141)	(978)	-	(978)	108	-	1,081	519
2016	2,532	152	57	2,741	2,532	287	(303)	2,516	9.4%	-	154	154	-	2,670	(72)	(1,049)	-	(1,049)	47	-	1,128	396
2017	2,736	112	59	2,907	2,736	233	(217)	2,752	9.4%	-	150	150	-	2,902	(5)	(1,054)	-	(1,054)	-	13	1,115	307
2018	2,956	83	59	3,098	2,956	187	(133)	3,010	9.4%	-	147	147	-	3,157	59	(994)	-	(994)	-	73	1,042	240
2019	3,193	62	55	3,310	3,193	152	(52)	3,293	9.4%	-	143	143	-	3,437	127	(868)	-	(868)	-	136	906	192
2020	3,450	47	48	3,545	3,450	120	-	3,570	8.4%	-	140	140	-	3,710	166	(702)	-	(702)	-	173	733	155
2021	3,728	36	38	3,803	3,728	94	-	3,822	7.0%	-	137	137	-	3,959	156	(546)	-	(546)	-	162	572	127
2022	4,028	29	30	4,087	4,028	73	-	4,101	7.3%	-	134	134	-	4,235	148	(398)	-	(398)	-	152	419	105
2023	4,352	23	22	4,397	4,352	56	-	4,408	7.5%	-	131	131	-	4,539	142	(256)	-	(256)	-	145	274	87
2024	4,703	19	14	4,736	4,703	41	-	4,744	7.6%	-	128	128	-	4,872	137	(119)	-	(119)	-	140	134	73
2025	5,081	15	7	5,104	5,081	28	-	5,110	7.7%	-	113	113	-	5,223	119	-	12	12	-	134	-	62
	52,634	3,669	581	56,884	52,634	4,639	(3,991)	53,282		336	3,204	3,540	3	56,825	-				1,186	1,186		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,641	2,520	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,739		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	211	-	211	2,185
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	0	281	281	-	38	174	2,272
2008	1,121	371	9	1,501	1,121	325	(211)	1,235	10.0%	42	224	266	-	1,501	-	0	251	251	21	-	194	2,225
2009	1,295	389	10	1,694	1,295	420	(356)	1,358	10.0%	42	293	335	-	1,694	-	0	148	148	78	-	272	2,101
2010	1,482	419	14	1,915	1,482	444	(431)	1,495	10.0%	42	334	376	-	1,871	(44)	(44)	-	(44)	148	-	420	1,882
2011	1,686	429	22	2,136	1,686	485	(526)	1,645	10.0%	42	181	223	-	1,868	(269)	(313)	-	(313)	211	-	632	1,594
2012	1,908	401	33	2,342	1,908	508	(606)	1,809	10.0%	42	175	217	-	2,027	(315)	(628)	-	(628)	252	-	884	1,280
2013	2,062	354	46	2,462	2,062	492	(563)	1,991	10.0%	42	170	212	-	2,203	(259)	(887)	-	(887)	203	-	1,086	998
2014	2,228	290	57	2,575	2,228	452	(489)	2,190	10.0%	-	164	164	-	2,355	(220)	(1,107)	-	(1,107)	173	-	1,260	764
2015	2,408	228	66	2,701	2,408	391	(389)	2,410	10.0%	-	159	159	-	2,569	(132)	(1,239)	-	(1,239)	95	-	1,355	580
2016	2,602	170	71	2,843	2,602	329	(279)	2,652	10.0%	-	155	155	-	2,807	(37)	(1,275)	-	(1,275)	9	-	1,364	443
2017	2,812	125	72	3,008	2,812	266	(160)	2,918	10.0%	-	151	151	-	3,068	60	(1,215)	-	(1,215)	-	80	1,284	343
2018	3,039	93	67	3,200	3,039	211	(40)	3,210	10.0%	-	147	147	-	3,357	157	(1,058)	-	(1,058)	-	172	1,112	268
2019	3,285	69	58	3,412	3,285	167	-	3,451	7.5%	-	143	143	-	3,595	183	(875)	-	(875)	-	194	918	214
2020	3,550	52	48	3,650	3,550	129	-	3,679	6.6%	-	140	140	-	3,819	169	(706)	-	(706)	-	177	741	173
2021	3,837	40	39	3,916	3,837	100	-	3,937	7.0%	-	137	137	-	4,074	158	(549)	-	(549)	-	164	577	142
2022	4,147	32	30	4,210	4,147	78	-	4,225	7.3%	-	134	134	-	4,359	149	(399)	-	(399)	-	154	423	117
2023	4,483	26	22	4,531	4,483	60	-	4,543	7.5%	-	131	131	-	4,674	143	(256)	-	(256)	-	147	276	97
2024	4,845	21	14	4,881	4,845	45	-	4,890	7.6%	-	128	128	-	5,018	138	(119)	-	(119)	-	141	135	81
2025	5,237	17	7	5,262	5,237	31	-	5,268	7.7%	-	112	112	-	5,380	119	(0)	14	14	-	135	-	69
	54,025	4,034	699	58,758	54,025	5,168	(4,050)	55,143		336	3,217	3,553	3	58,699	-				1,402	1,402		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,202	2,445	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,730		2025 Ending Surplus / (Deficit)		7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	45	-	45	1,352
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	0	332	332	-	45	-	1,337
2008	1,030	235	-	1,264	1,030	256	(79)	1,207	8.0%	42	15	57	-	1,264	-	0	506	506	-	-	-	1,289
2009	1,365	242	-	1,607	1,365	258	(320)	1,304	8.0%	42	261	303	-	1,607	-	0	438	438	-	-	-	1,113
2010	1,473	247	-	1,720	1,473	266	(331)	1,408	8.0%	42	270	312	-	1,720	-	0	355	355	-	-	-	924
2011	1,589	241	-	1,829	1,589	272	(341)	1,520	8.0%	42	267	309	-	1,829	-	0	267	267	-	-	-	734
2012	1,714	214	-	1,929	1,714	265	(337)	1,641	8.0%	42	245	287	-	1,929	-	0	196	196	-	-	-	561
2013	1,849	171	-	2,020	1,849	236	(313)	1,772	8.0%	42	206	248	-	2,020	-	0	157	157	-	-	-	422
2014	1,996	124	-	2,119	1,996	188	(269)	1,914	8.0%	-	205	205	-	2,119	-	0	114	114	-	-	-	322
2015	2,153	91	-	2,245	2,153	136	(223)	2,067	8.0%	-	178	178	-	2,245	-	0	94	94	-	-	-	249
2016	2,323	67	-	2,391	2,323	100	(192)	2,232	8.0%	-	159	159	-	2,391	-	0	89	89	-	-	-	196
2017	2,507	52	-	2,559	2,507	74	(172)	2,410	8.0%	-	149	149	-	2,559	-	0	90	90	-	-	-	154
2018	2,706	38	-	2,744	2,706	57	(160)	2,602	8.0%	-	142	142	-	2,744	-	0	96	96	-	-	-	125
2019	2,920	29	-	2,949	2,920	42	(152)	2,810	8.0%	-	139	139	-	2,949	-	0	102	102	-	-	-	102
2020	3,151	24	-	3,174	3,151	32	(149)	3,034	8.0%	-	140	140	-	3,174	-	0	105	105	-	-	-	84
2021	3,400	18	-	3,419	3,400	26	(150)	3,277	8.0%	-	142	142	-	3,419	-	0	103	103	-	-	-	70
2022	3,670	15	-	3,685	3,670	20	(152)	3,538	8.0%	-	147	147	-	3,685	-	0	93	93	-	-	-	59
2023	3,960	12	-	3,973	3,960	16	(156)	3,821	8.0%	-	152	152	-	3,973	-	0	75	75	-	-	-	49
2024	4,274	10	-	4,285	4,274	14	(162)	4,126	8.0%	-	159	159	-	4,285	-	0	46	46	-	-	-	41
2025	4,613	8	-	4,621	4,613	11	(169)	4,455	8.0%	-	166	166	-	4,621	-	0	7	7	-	-	-	35
	48,692	2,295	2	50,989	48,692	2,504	(3,827)	47,369		336	3,223	3,559	3	50,930	-				45	45		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,326	2,468	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,746		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	88	-	88	1,568
2007	1,009	267	5	1,281	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	76	11	1,551
2008	1,030	269	1	1,299	1,030	294	(111)	1,213	8.4%	42	44	86	-	1,299	-	(0)	443	443	-	11	-	1,497
2009	1,402	278	-	1,680	1,402	296	(383)	1,315	8.4%	42	323	365	-	1,680	-	(0)	311	311	-	-	-	1,295
2010	1,513	287	-	1,800	1,513	306	(394)	1,425	8.4%	42	333	375	-	1,800	-	(0)	159	159	56	-	56	1,075
2011	1,633	281	3	1,917	1,633	319	(408)	1,545	8.4%	42	330	372	-	1,917	-	(0)	3	3	111	-	168	853
2012	1,763	249	9	2,021	1,763	319	(407)	1,674	8.4%	42	173	215	-	1,889	(132)	(132)	-	(132)	95	-	262	652
2013	1,903	199	14	2,115	1,903	289	(377)	1,815	8.4%	42	165	207	-	2,021	(94)	(226)	-	(226)	61	-	324	491
2014	2,054	144	17	2,214	2,054	237	(324)	1,967	8.4%	-	160	160	-	2,127	(87)	(313)	-	(313)	64	-	388	375
2015	2,217	106	20	2,344	2,217	181	(266)	2,132	8.4%	-	156	156	-	2,288	(56)	(369)	-	(369)	39	-	427	290
2016	2,393	78	22	2,494	2,393	142	(224)	2,311	8.4%	-	152	152	-	2,463	(31)	(400)	-	(400)	18	-	445	227
2017	2,583	60	23	2,667	2,583	112	(191)	2,505	8.4%	-	149	149	-	2,653	(14)	(413)	-	(413)	4	-	449	180
2018	2,789	45	24	2,857	2,789	92	(166)	2,715	8.4%	-	146	146	-	2,860	3	(410)	-	(410)	-	10	439	145
2019	3,011	34	23	3,068	3,011	75	(143)	2,942	8.4%	-	142	142	-	3,085	17	(393)	-	(393)	-	22	417	118
2020	3,251	27	22	3,300	3,251	61	(123)	3,189	8.4%	-	139	139	-	3,329	29	(364)	-	(364)	-	33	384	97
2021	3,510	21	20	3,551	3,510	52	(105)	3,457	8.4%	-	136	136	-	3,593	42	(322)	-	(322)	-	46	338	81
2022	3,789	17	18	3,824	3,789	43	(85)	3,747	8.4%	-	134	134	-	3,880	56	(266)	-	(266)	-	59	279	68
2023	4,091	15	15	4,120	4,091	35	(65)	4,061	8.4%	-	131	131	-	4,192	72	(194)	-	(194)	-	74	205	57
2024	4,417	12	11	4,440	4,417	28	(43)	4,402	8.4%	-	128	128	-	4,530	90	(104)	-	(104)	-	92	113	48
2025	4,769	10	6	4,785	4,769	20	(18)	4,771	8.4%	-	117	117	-	4,889	104	0	8	8	-	113	-	41
	50,115	2,622	252	52,989	50,115	3,135	(3,833)	49,417		336	3,174	3,510	3	52,930	-				537	537		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,449	2,483	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,755		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	130	-	130	1,781
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	0	280	280	-	55	75	1,776
2008	1,030	303	4	1,336	1,030	319	(129)	1,219	8.9%	42	75	117	-	1,336	-	0	395	395	-	75	-	1,716
2009	1,439	315	-	1,754	1,439	333	(445)	1,327	8.9%	42	385	427	-	1,754	-	0	199	199	98	-	98	1,488
2010	1,553	329	5	1,888	1,553	352	(461)	1,445	8.9%	42	381	423	-	1,867	(21)	(21)	-	(21)	170	-	268	1,236
2011	1,677	324	14	2,015	1,677	378	(482)	1,573	8.9%	42	176	218	-	1,791	(225)	(245)	-	(245)	173	-	441	980
2012	1,811	286	23	2,121	1,811	382	(481)	1,712	8.9%	42	171	213	-	1,924	(196)	(441)	-	(441)	150	-	591	749
2013	1,956	228	31	2,215	1,956	349	(441)	1,863	8.9%	42	165	207	-	2,071	(144)	(585)	-	(585)	107	-	698	564
2014	2,112	165	37	2,313	2,112	291	(375)	2,029	8.9%	-	161	161	-	2,189	(124)	(709)	-	(709)	97	-	796	431
2015	2,280	123	42	2,445	2,280	227	(300)	2,208	8.9%	-	157	157	-	2,365	(80)	(789)	-	(789)	60	-	856	332
2016	2,463	90	45	2,598	2,463	184	(243)	2,404	8.9%	-	153	153	-	2,556	(41)	(831)	-	(831)	27	-	883	261
2017	2,660	69	46	2,775	2,660	150	(193)	2,616	8.9%	-	149	149	-	2,766	(9)	(840)	-	(840)	-	2	881	206
2018	2,872	52	46	2,970	2,872	127	(151)	2,848	8.9%	-	146	146	-	2,994	24	(816)	-	(816)	-	32	850	166
2019	3,102	39	45	3,186	3,102	106	(108)	3,100	8.9%	-	143	143	-	3,243	57	(759)	-	(759)	-	63	786	136
2020	3,350	31	41	3,423	3,350	88	(64)	3,375	8.9%	-	140	140	-	3,514	92	(668)	-	(668)	-	96	690	112
2021	3,619	24	36	3,679	3,619	74	(19)	3,674	8.9%	-	137	137	-	3,810	131	(537)	-	(537)	-	135	556	93
2022	3,908	20	29	3,958	3,908	59	-	3,967	8.0%	-	134	134	-	4,101	143	(393)	-	(393)	-	147	409	78
2023	4,222	17	21	4,260	4,222	46	-	4,267	7.6%	-	131	131	-	4,398	138	(255)	-	(255)	-	141	268	65
2024	4,560	14	14	4,588	4,560	34	-	4,594	7.7%	-	128	128	-	4,722	134	(121)	-	(121)	-	136	132	55
2025	4,925	11	7	4,943	4,925	23	-	4,948	7.7%	-	116	116	-	5,064	121	0	9	9	-	132	-	46
	51,538	2,949	494	54,981	51,538	3,758	(3,892)	51,404		336	3,179	3,515	3	54,922	-				1,013	1,013		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,554	2,495	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,748		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	172	-	172	1,990
2007	1,009	286	9	1,305	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	50	123	2,015
2008	1,030	337	6	1,373	1,030	322	(125)	1,227	9.4%	42	104	146	-	1,373	-	(0)	368	368	-	101	22	1,950
2009	1,476	353	1	1,829	1,476	372	(505)	1,343	9.4%	42	445	487	-	1,829	-	(0)	112	112	205	-	227	1,695
2010	1,594	373	12	1,979	1,594	401	(525)	1,469	9.4%	42	295	337	-	1,807	(172)	(172)	-	(172)	228	-	455	1,411
2011	1,721	370	24	2,116	1,721	437	(551)	1,608	9.4%	42	177	219	-	1,827	(288)	(461)	-	(461)	230	-	684	1,118
2012	1,859	327	36	2,222	1,859	447	(547)	1,760	9.4%	42	172	214	-	1,973	(249)	(709)	-	(709)	196	-	880	854
2013	2,009	260	46	2,315	2,009	410	(493)	1,926	9.4%	42	166	208	-	2,134	(181)	(891)	-	(891)	139	-	1,019	643
2014	2,170	188	54	2,411	2,170	345	(408)	2,107	9.4%	-	161	161	-	2,269	(142)	(1,033)	-	(1,033)	112	-	1,131	491
2015	2,344	140	59	2,544	2,344	272	(310)	2,306	9.4%	-	157	157	-	2,463	(80)	(1,113)	-	(1,113)	58	-	1,189	379
2016	2,532	103	62	2,698	2,532	223	(231)	2,524	9.4%	-	153	153	-	2,677	(21)	(1,134)	-	(1,134)	4	-	1,193	297
2017	2,736	78	63	2,877	2,736	182	(156)	2,762	9.4%	-	149	149	-	2,911	34	(1,100)	-	(1,100)	-	47	1,147	235
2018	2,956	59	60	3,075	2,956	152	(86)	3,023	9.4%	-	146	146	-	3,169	94	(1,006)	-	(1,006)	-	103	1,044	188
2019	3,193	44	55	3,293	3,193	125	(11)	3,308	9.4%	-	143	143	-	3,450	158	(848)	-	(848)	-	165	879	154
2020	3,450	35	46	3,532	3,450	100	-	3,550	7.3%	-	140	140	-	3,690	158	(690)	-	(690)	-	163	716	127
2021	3,728	28	38	3,793	3,728	80	-	3,808	7.3%	-	137	137	-	3,945	151	(539)	-	(539)	-	156	560	106
2022	4,028	23	29	4,080	4,028	63	-	4,091	7.4%	-	134	134	-	4,224	144	(394)	-	(394)	-	148	412	89
2023	4,352	19	22	4,393	4,352	49	-	4,401	7.6%	-	131	131	-	4,532	139	(255)	-	(255)	-	142	270	74
2024	4,703	16	14	4,733	4,703	37	-	4,739	7.7%	-	128	128	-	4,868	135	(120)	-	(120)	-	137	133	62
2025	5,081	13	7	5,101	5,081	25	-	5,106	7.7%	-	115	115	-	5,222	120	0	10	10	-	133	-	52
	52,961	3,276	643	56,880	52,961	4,278	(3,947)	53,293		336	3,189	3,525	3	56,820	-				1,344	1,344		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,655	2,509	59	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,738		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	214	-	214	2,199
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	(0)	281	281	-	44	170	2,254
2008	1,030	372	9	1,410	1,030	325	(118)	1,236	10.1%	42	132	174	-	1,410	-	(0)	343	343	-	76	94	2,183
2009	1,512	390	5	1,907	1,512	414	(566)	1,361	10.1%	42	505	547	-	1,907	-	(0)	29	29	258	-	352	1,902
2010	1,634	417	18	2,070	1,634	449	(585)	1,498	10.1%	42	213	255	-	1,753	(316)	(316)	-	(316)	281	-	633	1,585
2011	1,766	416	33	2,215	1,766	495	(611)	1,650	10.1%	42	179	221	-	1,870	(345)	(661)	-	(661)	279	-	912	1,256
2012	1,908	367	48	2,323	1,908	511	(602)	1,817	10.1%	42	173	215	-	2,031	(291)	(953)	-	(953)	232	-	1,145	960
2013	2,062	293	60	2,414	2,062	470	(531)	2,000	10.1%	42	167	209	-	2,209	(205)	(1,158)	-	(1,158)	157	-	1,302	722
2014	2,228	211	68	2,507	2,228	397	(422)	2,203	10.1%	-	162	162	-	2,365	(143)	(1,300)	-	(1,300)	109	-	1,411	552
2015	2,408	158	74	2,639	2,408	314	(296)	2,425	10.1%	-	158	158	-	2,583	(56)	(1,357)	-	(1,357)	31	-	1,442	425
2016	2,602	116	76	2,793	2,602	257	(188)	2,671	10.1%	-	153	153	-	2,824	31	(1,326)	-	(1,326)	-	49	1,393	333
2017	2,812	88	73	2,973	2,812	208	(79)	2,941	10.1%	-	150	150	-	3,090	117	(1,209)	-	(1,209)	-	131	1,261	263
2018	3,039	66	66	3,172	3,039	170	-	3,209	9.1%	-	146	146	-	3,355	183	(1,025)	-	(1,025)	-	194	1,068	211
2019	3,285	50	56	3,391	3,285	135	-	3,419	6.6%	-	143	143	-	3,562	172	(854)	-	(854)	-	179	888	172
2020	3,550	39	47	3,636	3,550	106	-	3,656	6.9%	-	140	140	-	3,796	160	(694)	-	(694)	-	166	722	142
2021	3,837	31	38	3,906	3,837	85	-	3,922	7.3%	-	137	137	-	4,059	153	(541)	-	(541)	-	158	564	119
2022	4,147	25	30	4,202	4,147	67	-	4,214	7.4%	-	134	134	-	4,348	145	(395)	-	(395)	-	149	415	99
2023	4,483	22	22	4,526	4,483	52	-	4,535	7.6%	-	131	131	-	4,666	140	(256)	-	(256)	-	143	272	83
2024	4,845	18	14	4,878	4,845	39	-	4,885	7.7%	-	128	128	-	5,013	136	(120)	-	(120)	-	138	134	69
2025	5,237	14	7	5,259	5,237	27	-	5,265	7.8%	-	114	114	-	5,379	120	(0)	12	12	-	134	-	59
	54,384	3,602	756	58,741	54,384	4,758	(3,999)	55,142		336	3,201	3,537	3	58,682	-				1,562	1,562		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,198	2,444	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,730		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	43	-	43	1,344
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	43	-	1,362
2008	1,088	235	-	1,322	1,088	256	(137)	1,207	8.0%	42	73	115	-	1,322	-	(0)	448	448	-	-	-	1,341
2009	1,170	242	-	1,412	1,170	258	(125)	1,303	8.0%	42	67	109	-	1,412	-	(0)	572	572	-	-	-	1,305
2010	1,376	251	-	1,626	1,376	266	(235)	1,408	8.0%	42	177	219	-	1,626	-	(0)	588	588	-	-	-	1,188
2011	1,482	254	-	1,737	1,482	276	(238)	1,520	8.0%	42	175	217	-	1,737	-	(0)	603	603	-	-	-	1,050
2012	1,714	247	-	1,961	1,714	280	(353)	1,641	8.0%	42	278	320	-	1,961	-	(0)	511	511	-	-	-	859
2013	1,849	227	-	2,076	1,849	272	(349)	1,772	8.0%	42	262	304	-	2,076	-	(0)	429	429	-	-	-	679
2014	1,996	195	-	2,190	1,996	250	(331)	1,914	8.0%	-	277	277	-	2,190	-	(0)	326	326	-	-	-	523
2015	2,153	156	-	2,309	2,153	214	(301)	2,066	8.0%	-	243	243	-	2,309	-	(0)	249	249	-	-	-	397
2016	2,323	119	-	2,443	2,323	171	(263)	2,231	8.0%	-	211	211	-	2,443	-	(0)	198	198	-	-	-	300
2017	2,507	87	-	2,594	2,507	131	(229)	2,410	8.0%	-	184	184	-	2,594	-	(0)	168	168	-	-	-	230
2018	2,706	64	-	2,770	2,706	95	(199)	2,602	8.0%	-	168	168	-	2,770	-	(0)	151	151	-	-	-	179
2019	2,920	47	-	2,967	2,920	71	(181)	2,810	8.0%	-	157	157	-	2,967	-	(0)	142	142	-	-	-	142
2020	3,151	36	-	3,187	3,151	52	(169)	3,034	8.0%	-	153	153	-	3,187	-	(0)	133	133	-	-	-	114
2021	3,400	28	-	3,428	3,400	40	(164)	3,276	8.0%	-	152	152	-	3,428	-	(0)	122	122	-	-	-	92
2022	3,670	21	-	3,691	3,670	30	(162)	3,538	8.0%	-	153	153	-	3,691	-	(0)	106	106	-	-	-	76
2023	3,960	17	-	3,977	3,960	23	(164)	3,820	8.0%	-	157	157	-	3,977	-	(0)	83	83	-	-	-	63
2024	4,274	13	-	4,288	4,274	19	(168)	4,125	8.0%	-	163	163	-	4,288	-	(0)	52	52	-	-	-	53
2025	4,613	11	-	4,624	4,613	15	(174)	4,454	8.0%	-	170	170	-	4,624	-	(0)	9	9	-	-	-	44
	48,352	2,705	2	51,059	48,352	2,952	(3,942)	47,362		336	3,299	3,635	3	51,000	-				43	43		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,310	2,459	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,726		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	86	-	86	1,559
2007	1,009	267	5	1,280	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	69	17	1,579
2008	1,096	269	1	1,365	1,096	294	(177)	1,213	8.4%	42	111	153	-	1,365	-	(0)	377	377	-	17	-	1,557
2009	1,179	278	-	1,457	1,179	296	(160)	1,314	8.4%	42	101	143	-	1,457	-	(0)	464	464	-	-	-	1,514
2010	1,402	291	-	1,694	1,402	306	(284)	1,425	8.4%	42	227	269	-	1,694	-	(0)	425	425	-	-	-	1,378
2011	1,511	297	-	1,808	1,511	320	(288)	1,544	8.4%	42	222	264	-	1,808	-	(0)	386	386	-	-	-	1,215
2012	1,763	287	-	2,050	1,763	326	(415)	1,674	8.4%	42	334	376	-	2,050	-	(0)	230	230	-	-	-	993
2013	1,903	263	-	2,165	1,903	316	(404)	1,814	8.4%	42	310	352	-	2,165	-	(0)	89	89	67	-	67	785
2014	2,054	225	4	2,282	2,054	293	(381)	1,966	8.4%	-	252	252	-	2,218	(64)	(64)	-	(64)	117	-	185	604
2015	2,217	180	10	2,407	2,217	258	(344)	2,131	8.4%	-	158	158	-	2,289	(118)	(182)	-	(182)	89	-	274	458
2016	2,393	138	14	2,545	2,393	214	(298)	2,309	8.4%	-	154	154	-	2,463	(82)	(264)	-	(264)	60	-	333	346
2017	2,583	100	17	2,701	2,583	171	(251)	2,503	8.4%	-	150	150	-	2,653	(48)	(312)	-	(312)	32	-	365	266
2018	2,789	74	19	2,882	2,789	131	(207)	2,713	8.4%	-	146	146	-	2,859	(23)	(335)	-	(335)	11	-	376	207
2019	3,011	54	20	3,085	3,011	103	(174)	2,940	8.4%	-	143	143	-	3,083	(1)	(337)	-	(337)	-	7	369	164
2020	3,251	41	19	3,311	3,251	81	(145)	3,187	8.4%	-	140	140	-	3,327	15	(321)	-	(321)	-	22	348	131
2021	3,510	32	18	3,560	3,510	66	(121)	3,454	8.4%	-	137	137	-	3,591	31	(290)	-	(290)	-	36	311	107
2022	3,789	25	16	3,830	3,789	53	(98)	3,744	8.4%	-	134	134	-	3,878	48	(242)	-	(242)	-	51	260	88
2023	4,091	20	14	4,124	4,091	42	(75)	4,058	8.4%	-	131	131	-	4,189	64	(178)	-	(178)	-	67	193	73
2024	4,417	16	10	4,443	4,417	33	(52)	4,398	8.4%	-	128	128	-	4,526	83	(95)	-	(95)	-	86	107	61
2025	4,769	13	6	4,787	4,769	23	(26)	4,767	8.4%	-	115	115	-	4,882	95	(0)	10	10	-	107	-	51
	49,726	3,091	173	52,990	49,726	3,561	(3,900)	49,387		336	3,205	3,541	3	52,930	-				463	463		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,427	2,479	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,735		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	128	-	128	1,771
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	47	82	1,808
2008	1,104	303	4	1,411	1,104	320	(205)	1,219	8.8%	42	150	192	-	1,411	-	(0)	320	320	-	46	36	1,783
2009	1,188	315	2	1,505	1,188	335	(197)	1,327	8.8%	42	137	179	-	1,505	-	(0)	371	371	-	36	-	1,734
2010	1,429	334	-	1,762	1,429	347	(332)	1,444	8.8%	42	277	319	-	1,762	-	(0)	278	278	37	-	37	1,576
2011	1,541	342	2	1,884	1,541	369	(338)	1,571	8.8%	42	271	313	-	1,884	-	(0)	186	186	54	-	91	1,387
2012	1,811	329	5	2,145	1,811	381	(482)	1,710	8.8%	42	360	402	-	2,112	(33)	(33)	-	(33)	168	-	259	1,133
2013	1,956	301	14	2,270	1,956	377	(471)	1,861	8.8%	42	169	211	-	2,071	(198)	(231)	-	(231)	151	-	410	894
2014	2,112	256	22	2,389	2,112	354	(441)	2,025	8.8%	-	163	163	-	2,189	(201)	(432)	-	(432)	160	-	570	688
2015	2,280	206	30	2,516	2,280	315	(391)	2,204	8.8%	-	159	159	-	2,363	(153)	(585)	-	(585)	120	-	689	522
2016	2,463	157	36	2,656	2,463	266	(330)	2,399	8.8%	-	154	154	-	2,553	(103)	(688)	-	(688)	77	-	767	395
2017	2,660	114	40	2,814	2,660	217	(266)	2,611	8.8%	-	150	150	-	2,761	(53)	(741)	-	(741)	34	-	801	303
2018	2,872	85	42	2,999	2,872	171	(203)	2,841	8.8%	-	147	147	-	2,988	(12)	(752)	-	(752)	-	2	799	235
2019	3,102	62	42	3,206	3,102	139	(150)	3,092	8.8%	-	143	143	-	3,235	29	(723)	-	(723)	-	39	760	187
2020	3,350	47	40	3,437	3,350	112	(97)	3,365	8.8%	-	140	140	-	3,505	68	(655)	-	(655)	-	75	685	150
2021	3,619	36	36	3,691	3,619	91	(48)	3,662	8.8%	-	137	137	-	3,799	108	(547)	-	(547)	-	114	571	122
2022	3,908	28	30	3,967	3,908	73	-	3,981	8.7%	-	134	134	-	4,115	149	(398)	-	(398)	-	153	418	100
2023	4,222	22	22	4,266	4,222	55	-	4,277	7.4%	-	131	131	-	4,408	142	(257)	-	(257)	-	145	273	83
2024	4,560	18	14	4,592	4,560	40	-	4,600	7.6%	-	128	128	-	4,729	137	(120)	-	(120)	-	139	134	69
2025	4,925	14	7	4,947	4,925	27	-	4,953	7.7%	-	114	114	-	5,067	120	(0)	12	12	-	134	-	58
	51,100	3,476	394	54,971	51,100	4,225	(3,950)	51,376		336	3,197	3,533	3	54,912	-				930	930		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,533	2,503	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,741		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	170	-	170	1,979
2007	1,009	286	9	1,304	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	40	130	2,050
2008	1,112	337	7	1,456	1,112	322	(208)	1,226	9.4%	42	188	230	-	1,456	-	(0)	285	285	-	10	120	2,024
2009	1,197	353	6	1,556	1,197	378	(234)	1,341	9.4%	42	173	215	-	1,556	-	(0)	301	301	-	27	93	1,969
2010	1,456	378	5	1,838	1,456	393	(382)	1,467	9.4%	42	330	372	-	1,838	-	(0)	157	157	108	-	201	1,788
2011	1,570	390	11	1,970	1,570	427	(393)	1,604	9.4%	42	324	366	-	1,970	-	(0)	13	13	100	-	301	1,570
2012	1,859	374	16	2,249	1,859	446	(551)	1,755	9.4%	42	189	231	-	1,986	(263)	(263)	-	(263)	219	-	519	1,280
2013	2,009	341	27	2,377	2,009	441	(530)	1,919	9.4%	42	170	212	-	2,131	(246)	(509)	-	(509)	192	-	711	1,010
2014	2,170	289	37	2,496	2,170	416	(487)	2,099	9.4%	-	164	164	-	2,264	(233)	(742)	-	(742)	186	-	897	777
2015	2,344	232	47	2,623	2,344	370	(418)	2,296	9.4%	-	159	159	-	2,456	(168)	(910)	-	(910)	130	-	1,028	589
2016	2,532	177	54	2,763	2,532	315	(336)	2,511	9.4%	-	155	155	-	2,666	(97)	(1,007)	-	(1,007)	68	-	1,096	446
2017	2,736	128	58	2,922	2,736	258	(247)	2,747	9.4%	-	151	151	-	2,898	(24)	(1,031)	-	(1,031)	3	-	1,099	343
2018	2,956	96	58	3,109	2,956	204	(156)	3,004	9.4%	-	147	147	-	3,151	42	(989)	-	(989)	-	57	1,042	266
2019	3,193	70	55	3,318	3,193	166	(73)	3,286	9.4%	-	143	143	-	3,430	112	(877)	-	(877)	-	123	919	211
2020	3,450	53	48	3,551	3,450	130	-	3,580	8.9%	-	140	140	-	3,720	169	(708)	-	(708)	-	177	742	169
2021	3,728	41	39	3,808	3,728	101	-	3,829	6.9%	-	137	137	-	3,966	158	(550)	-	(550)	-	165	577	138
2022	4,028	32	30	4,090	4,028	78	-	4,106	7.2%	-	134	134	-	4,240	150	(400)	-	(400)	-	155	422	113
2023	4,352	26	22	4,400	4,352	59	-	4,411	7.4%	-	131	131	-	4,543	143	(257)	-	(257)	-	147	276	94
2024	4,703	20	14	4,737	4,703	44	-	4,747	7.6%	-	128	128	-	4,875	138	(119)	-	(119)	-	141	135	78
2025	5,081	16	7	5,105	5,081	30	-	5,111	7.7%	-	113	113	-	5,224	119	0	13	13	-	135	-	66
	52,475	3,861	550	56,886	52,475	4,816	(4,013)	53,277		336	3,211	3,547	3	56,827	-				1,176	1,176		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,634	2,522	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,736		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	212	-	212	2,187
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	(0)	281	281	-	34	178	2,293
2008	1,121	371	9	1,501	1,121	325	(211)	1,234	10.0%	42	225	267	-	1,501	-	(0)	250	250	25	-	202	2,264
2009	1,206	390	11	1,607	1,206	420	(269)	1,358	10.0%	42	207	249	-	1,607	-	(0)	234	234	4	-	207	2,204
2010	1,482	422	11	1,915	1,482	441	(430)	1,493	10.0%	42	380	422	-	1,915	-	(0)	41	41	152	-	359	2,000
2011	1,599	438	19	2,055	1,599	485	(441)	1,642	10.0%	42	223	265	-	1,908	(148)	(148)	-	(148)	139	-	498	1,753
2012	1,908	419	26	2,353	1,908	511	(612)	1,807	10.0%	42	177	219	-	2,025	(327)	(475)	-	(475)	262	-	761	1,428
2013	2,062	381	40	2,483	2,062	504	(579)	1,987	10.0%	42	171	213	-	2,200	(283)	(758)	-	(758)	222	-	983	1,126
2014	2,228	323	52	2,602	2,228	476	(518)	2,186	10.0%	-	165	165	-	2,351	(251)	(1,009)	-	(1,009)	199	-	1,183	866
2015	2,408	259	62	2,729	2,408	423	(427)	2,404	10.0%	-	160	160	-	2,564	(165)	(1,174)	-	(1,174)	123	-	1,305	657
2016	2,602	197	69	2,868	2,602	360	(318)	2,644	10.0%	-	155	155	-	2,800	(68)	(1,242)	-	(1,242)	36	-	1,341	497
2017	2,812	143	70	3,025	2,812	295	(198)	2,909	10.0%	-	151	151	-	3,060	34	(1,208)	-	(1,208)	-	57	1,284	382
2018	3,039	107	67	3,214	3,039	231	(71)	3,199	10.0%	-	147	147	-	3,346	133	(1,075)	-	(1,075)	-	150	1,134	296
2019	3,285	78	60	3,422	3,285	183	-	3,468	8.4%	-	144	144	-	3,611	189	(885)	-	(885)	-	202	932	235
2020	3,550	59	49	3,658	3,550	140	-	3,690	6.4%	-	140	140	-	3,830	172	(713)	-	(713)	-	181	751	189
2021	3,837	45	39	3,922	3,837	108	-	3,945	6.9%	-	137	137	-	4,082	161	(553)	-	(553)	-	168	583	154
2022	4,147	35	31	4,213	4,147	83	-	4,231	7.2%	-	134	134	-	4,365	152	(401)	-	(401)	-	157	426	126
2023	4,483	29	22	4,534	4,483	64	-	4,546	7.5%	-	131	131	-	4,678	144	(257)	-	(257)	-	148	278	104
2024	4,845	23	15	4,883	4,845	47	-	4,893	7.6%	-	129	129	-	5,021	139	(119)	-	(119)	-	142	136	87
2025	5,237	18	7	5,263	5,237	33	-	5,270	7.7%	-	111	111	-	5,381	119	(0)	15	15	-	136	-	73
	53,849	4,246	670	58,765	53,849	5,367	(4,074)	55,142		336	3,225	3,561	3	58,705	-				1,375	1,375		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,201	2,444	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,730		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	39	-	39	1,325
2007	1,009	233	2	1,244	1,009	108	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	(212)	1,207	8.0%	42	147	189	-	1,396	-	(0)	374	374	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	(206)	1,303	8.0%	42	145	187	-	1,491	-	(0)	417	417	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	(204)	1,407	8.0%	42	140	182	-	1,589	-	(0)	463	463	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	(333)	1,520	8.0%	42	261	303	-	1,823	-	(0)	387	387	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	(330)	1,641	8.0%	42	247	289	-	1,930	-	(0)	318	318	-	-	-	678
2013	1,849	188	-	2,037	1,849	237	(315)	1,772	8.0%	42	223	265	-	2,037	-	(0)	267	267	-	-	-	527
2014	1,996	155	-	2,151	1,996	207	(288)	1,914	8.0%	-	237	237	-	2,151	-	(0)	197	197	-	-	-	402
2015	2,153	119	-	2,272	2,153	171	(258)	2,067	8.0%	-	206	206	-	2,272	-	(0)	153	153	-	-	-	306
2016	2,323	88	-	2,411	2,323	131	(223)	2,232	8.0%	-	180	180	-	2,411	-	(0)	129	129	-	-	-	235
2017	2,507	65	-	2,572	2,507	96	(194)	2,410	8.0%	-	163	163	-	2,572	-	(0)	119	119	-	-	-	183
2018	2,706	48	-	2,754	2,706	72	(175)	2,602	8.0%	-	151	151	-	2,754	-	(0)	116	116	-	-	-	145
2019	2,920	37	-	2,956	2,920	53	(163)	2,810	8.0%	-	146	146	-	2,956	-	(0)	116	116	-	-	-	117
2020	3,151	28	-	3,179	3,151	40	(157)	3,034	8.0%	-	144	144	-	3,179	-	(0)	114	114	-	-	-	95
2021	3,400	22	-	3,422	3,400	31	(154)	3,276	8.0%	-	146	146	-	3,422	-	(0)	109	109	-	-	-	78
2022	3,670	18	-	3,688	3,670	24	(156)	3,538	8.0%	-	149	149	-	3,688	-	(0)	97	97	-	-	-	65
2023	3,960	14	-	3,974	3,960	20	(159)	3,821	8.0%	-	154	154	-	3,974	-	(0)	77	77	-	-	-	54
2024	4,274	11	-	4,285	4,274	15	(164)	4,126	8.0%	-	160	160	-	4,285	-	(0)	48	48	-	-	-	46
2025	4,613	9	-	4,622	4,613	12	(170)	4,455	8.0%	-	167	167	-	4,622	-	(0)	8	8	-	-	-	39
	48,588	2,419	2	51,010	48,588	2,639	(3,861)	47,367		336	3,245	3,581	3	50,950	-				39	39		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,319	2,464	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,737		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	82	-	82	1,537
2007	1,009	267	4	1,280	1,009	109	-	1,119	0.4%	42	113	155	0	1,275	(6)	0	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	(263)	1,213	8.4%	42	195	237	-	1,450	-	0	292	292	-	6	-	1,442
2009	1,273	274	-	1,547	1,273	294	(253)	1,314	8.4%	42	191	233	-	1,547	-	0	286	286	-	-	-	1,331
2010	1,371	279	-	1,651	1,371	302	(248)	1,425	8.4%	42	184	226	-	1,651	-	0	283	283	-	-	-	1,193
2011	1,633	273	-	1,906	1,633	307	(396)	1,544	8.4%	42	320	362	-	1,906	-	0	140	140	56	-	56	983
2012	1,763	251	3	2,016	1,763	304	(393)	1,674	8.4%	42	301	343	-	2,016	-	0	10	10	91	-	147	786
2013	1,903	218	8	2,128	1,903	285	(373)	1,814	8.4%	42	176	218	-	2,032	(97)	(97)	-	(97)	72	-	219	611
2014	2,054	180	11	2,245	2,054	253	(340)	1,966	8.4%	-	161	161	-	2,128	(117)	(214)	-	(214)	88	-	307	466
2015	2,217	138	16	2,371	2,217	216	(301)	2,131	8.4%	-	157	157	-	2,288	(83)	(297)	-	(297)	61	-	368	354
2016	2,393	102	19	2,514	2,393	173	(256)	2,310	8.4%	-	153	153	-	2,463	(51)	(348)	-	(348)	35	-	402	273
2017	2,583	75	21	2,680	2,583	135	(214)	2,504	8.4%	-	149	149	-	2,653	(27)	(375)	-	(375)	15	-	417	213
2018	2,789	56	22	2,867	2,789	107	(182)	2,714	8.4%	-	146	146	-	2,860	(7)	(381)	-	(381)	-	2	415	168
2019	3,011	42	22	3,075	3,011	85	(155)	2,942	8.4%	-	143	143	-	3,084	9	(372)	-	(372)	-	16	399	135
2020	3,251	32	21	3,304	3,251	70	(132)	3,188	8.4%	-	140	140	-	3,328	24	(348)	-	(348)	-	29	370	110
2021	3,510	25	19	3,554	3,510	57	(110)	3,456	8.4%	-	137	137	-	3,592	38	(310)	-	(310)	-	42	328	91
2022	3,789	21	17	3,827	3,789	47	(90)	3,746	8.4%	-	134	134	-	3,879	52	(258)	-	(258)	-	56	273	75
2023	4,091	16	14	4,122	4,091	38	(70)	4,060	8.4%	-	131	131	-	4,191	69	(189)	-	(189)	-	72	201	63
2024	4,417	13	11	4,441	4,417	30	(46)	4,401	8.4%	-	128	128	-	4,529	88	(101)	-	(101)	-	90	111	53
2025	4,769	11	6	4,786	4,769	21	(20)	4,770	8.4%	-	117	117	-	4,886	101	0	9	9	-	111	-	45
	49,996	2,764	215	52,976	49,996	3,250	(3,842)	49,404		336	3,174	3,510	3	52,917	-				499	499		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,438	2,489	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,752		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	123	-	123	1,746
2007	1,009	286	6	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,296	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	(300)	1,219	8.9%	42	244	286	-	1,506	-	(0)	226	226	36	-	105	1,653
2009	1,294	311	6	1,610	1,294	338	(304)	1,328	8.9%	42	240	282	-	1,610	-	(0)	172	172	29	-	134	1,528
2010	1,394	320	7	1,722	1,394	349	(298)	1,446	8.9%	42	234	276	-	1,722	-	(0)	120	120	20	-	154	1,369
2011	1,677	315	8	2,000	1,677	361	(464)	1,575	8.9%	42	297	339	-	1,913	(87)	(87)	-	(87)	158	-	312	1,126
2012	1,811	288	16	2,116	1,811	365	(461)	1,715	8.9%	42	172	214	-	1,928	(187)	(275)	-	(275)	142	-	454	899
2013	1,956	250	24	2,230	1,956	343	(432)	1,867	8.9%	42	167	209	-	2,076	(154)	(429)	-	(429)	114	-	569	699
2014	2,112	206	30	2,347	2,112	308	(387)	2,033	8.9%	-	162	162	-	2,195	(152)	(581)	-	(581)	119	-	688	533
2015	2,280	158	36	2,475	2,280	266	(333)	2,214	8.9%	-	157	157	-	2,371	(104)	(685)	-	(685)	78	-	766	405
2016	2,463	116	40	2,619	2,463	218	(270)	2,411	8.9%	-	153	153	-	2,564	(55)	(740)	-	(740)	36	-	802	312
2017	2,660	86	42	2,788	2,660	174	(209)	2,625	8.9%	-	150	150	-	2,774	(13)	(753)	-	(753)	-	0	802	243
2018	2,872	64	42	2,978	2,872	141	(155)	2,858	8.9%	-	146	146	-	3,004	26	(727)	-	(727)	-	36	766	193
2019	3,102	49	40	3,191	3,102	115	(104)	3,112	8.9%	-	143	143	-	3,255	64	(663)	-	(663)	-	72	694	154
2020	3,350	37	36	3,423	3,350	94	(55)	3,389	8.9%	-	140	140	-	3,529	105	(558)	-	(558)	-	111	583	126
2021	3,619	29	31	3,678	3,619	74	(41)	3,651	7.7%	-	137	137	-	3,788	110	(448)	-	(448)	-	114	469	104
2022	3,908	24	25	3,957	3,908	59	(33)	3,934	7.8%	-	134	134	-	4,068	111	(337)	-	(337)	-	115	354	86
2023	4,222	19	19	4,259	4,222	46	(26)	4,242	7.8%	-	131	131	-	4,373	114	(223)	-	(223)	-	117	237	71
2024	4,560	15	12	4,587	4,560	34	(19)	4,575	7.8%	-	128	128	-	4,703	116	(107)	-	(107)	-	118	119	60
2025	4,925	12	6	4,944	4,925	23	(13)	4,935	7.9%	-	115	115	-	5,051	107	(0)	10	10	-	119	-	51
	51,405	3,109	431	54,944	51,405	3,863	(3,904)	51,363		336	3,183	3,519	3	54,884	-				857	857		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,537	2,507	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,745		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	164	-	164	1,951
2007	1,009	286	9	1,304	1,009	112	-	1,121	0.6%	42	135	177	0	1,298	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	(313)	1,228	9.6%	42	291	333	-	1,562	-	(0)	181	181	79	-	195	1,880
2009	1,315	348	10	1,672	1,315	381	(349)	1,346	9.6%	42	284	326	-	1,672	-	(0)	85	85	68	-	263	1,740
2010	1,417	363	14	1,794	1,417	398	(339)	1,476	9.6%	42	268	310	-	1,786	(8)	(8)	-	(8)	57	-	320	1,557
2011	1,721	360	17	2,099	1,721	418	(523)	1,617	9.6%	42	178	220	-	1,838	(261)	(269)	-	(269)	206	-	525	1,280
2012	1,859	328	28	2,216	1,859	427	(514)	1,772	9.6%	42	173	215	-	1,987	(228)	(498)	-	(498)	177	-	702	1,021
2013	2,009	285	37	2,330	2,009	402	(468)	1,942	9.6%	42	168	210	-	2,152	(179)	(676)	-	(676)	133	-	835	793
2014	2,170	233	44	2,447	2,170	362	(403)	2,129	9.6%	-	163	163	-	2,291	(156)	(832)	-	(832)	118	-	953	605
2015	2,344	180	50	2,574	2,344	311	(323)	2,333	9.6%	-	158	158	-	2,491	(83)	(915)	-	(915)	54	-	1,007	459
2016	2,532	132	53	2,717	2,532	256	(232)	2,557	9.6%	-	154	154	-	2,710	(7)	(921)	-	(921)	-	15	992	354
2017	2,736	97	52	2,885	2,736	202	(136)	2,802	9.6%	-	150	150	-	2,952	66	(855)	-	(855)	-	82	910	276
2018	2,956	73	48	3,076	2,956	160	(90)	3,026	8.0%	-	146	146	-	3,172	96	(759)	-	(759)	-	107	803	218
2019	3,193	55	42	3,291	3,193	126	(71)	3,249	7.4%	-	143	143	-	3,392	101	(658)	-	(658)	-	110	693	175
2020	3,450	41	36	3,528	3,450	101	(57)	3,494	7.6%	-	140	140	-	3,634	106	(552)	-	(552)	-	113	580	143
2021	3,728	33	30	3,791	3,728	79	(44)	3,763	7.7%	-	137	137	-	3,899	108	(443)	-	(443)	-	113	467	118
2022	4,028	27	25	4,079	4,028	63	(35)	4,055	7.8%	-	134	134	-	4,189	110	(333)	-	(333)	-	114	353	97
2023	4,352	21	19	4,392	4,352	50	(28)	4,374	7.9%	-	131	131	-	4,505	113	(220)	-	(220)	-	116	236	81
2024	4,703	17	12	4,732	4,703	37	(21)	4,719	7.9%	-	128	128	-	4,847	115	(105)	-	(105)	-	118	119	68
2025	5,081	14	6	5,102	5,081	26	(14)	5,093	7.9%	-	114	114	-	5,207	105	0	12	12	-	119	-	58
	52,813	3,453	537	56,803	52,813	4,355	(3,959)	53,209		336	3,196	3,532	3	56,743	-				1,056	1,056		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,630	2,522	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,728		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	206	-	206	2,156
2007	1,009	286	11	1,306	1,009	113	-	1,122	0.7%	42	136	178	0	1,301	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	(323)	1,239	10.5%	42	336	378	-	1,617	-	0	139	139	120	-	282	2,106
2009	1,335	385	15	1,735	1,335	423	(389)	1,369	10.5%	42	323	365	-	1,735	-	0	5	5	103	-	385	1,952
2010	1,440	406	20	1,866	1,440	445	(372)	1,513	10.5%	42	190	232	-	1,745	(121)	(121)	-	(121)	85	-	470	1,746
2011	1,766	406	25	2,196	1,766	474	(569)	1,671	10.5%	42	180	222	-	1,893	(303)	(424)	-	(424)	240	-	711	1,434
2012	1,908	369	37	2,314	1,908	487	(549)	1,846	10.5%	42	174	216	-	2,062	(252)	(676)	-	(676)	194	-	905	1,143
2013	2,062	320	47	2,429	2,062	458	(481)	2,039	10.5%	42	169	211	-	2,250	(179)	(855)	-	(855)	128	-	1,032	887
2014	2,228	261	54	2,543	2,228	411	(386)	2,253	10.5%	-	163	163	-	2,416	(127)	(982)	-	(982)	84	-	1,117	677
2015	2,408	201	59	2,667	2,408	351	(270)	2,489	10.5%	-	159	159	-	2,647	(20)	(1,002)	-	(1,002)	-	12	1,105	514
2016	2,602	147	58	2,807	2,602	285	(160)	2,727	9.6%	-	154	154	-	2,881	74	(928)	-	(928)	-	98	1,007	395
2017	2,812	109	53	2,974	2,812	220	(124)	2,909	6.7%	-	150	150	-	3,059	85	(843)	-	(843)	-	103	904	309
2018	3,039	82	47	3,168	3,039	172	(96)	3,114	7.1%	-	147	147	-	3,261	93	(750)	-	(750)	-	106	799	244
2019	3,285	62	42	3,388	3,285	136	(76)	3,344	7.4%	-	143	143	-	3,487	99	(651)	-	(651)	-	109	690	195
2020	3,550	46	36	3,632	3,550	108	(61)	3,597	7.6%	-	140	140	-	3,737	105	(546)	-	(546)	-	112	578	160
2021	3,837	36	30	3,904	3,837	84	(47)	3,874	7.7%	-	137	137	-	4,011	107	(439)	-	(439)	-	113	465	132
2022	4,147	30	24	4,202	4,147	67	(38)	4,177	7.8%	-	134	134	-	4,311	109	(330)	-	(330)	-	114	351	109
2023	4,483	24	18	4,525	4,483	53	(30)	4,506	7.9%	-	131	131	-	4,637	112	(217)	-	(217)	-	116	236	91
2024	4,845	19	12	4,877	4,845	40	(22)	4,863	7.9%	-	128	128	-	4,991	114	(103)	-	(103)	-	117	118	76
2025	5,237	16	6	5,259	5,237	28	(16)	5,250	8.0%	-	113	113	-	5,363	103	0	13	13	-	118	-	64
	54,221	3,797	605	58,622	54,221	4,805	(4,009)	55,016		336	3,208	3,544	3	58,563	-				1,160	1,160		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,223	2,457	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,773		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	46	-	46	1,360
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	46	-	1,401
2008	1,030	236	-	1,265	1,030	256	(144)	1,142	2.1%	42	81	123	-	1,265	-	(0)	440	440	-	-	-	1,429
2009	1,107	245	-	1,352	1,107	259	(145)	1,220	6.9%	42	90	132	-	1,352	-	(0)	541	541	-	-	-	1,440
2010	1,349	259	-	1,608	1,349	270	(290)	1,329	8.9%	42	237	279	-	1,608	-	(0)	495	495	-	-	-	1,370
2011	1,453	272	-	1,724	1,453	285	(291)	1,446	8.9%	42	236	278	-	1,724	-	(0)	445	445	-	-	-	1,264
2012	1,565	276	-	1,841	1,565	299	(289)	1,574	8.9%	42	224	266	-	1,841	-	(0)	401	401	-	-	-	1,131
2013	1,849	266	-	2,115	1,849	303	(439)	1,714	8.9%	42	359	401	-	2,115	-	(0)	218	218	-	-	-	926
2014	1,996	241	-	2,237	1,996	292	(422)	1,866	8.9%	-	371	371	-	2,237	-	(0)	12	12	135	-	135	735
2015	2,153	207	7	2,368	2,153	273	(395)	2,031	8.9%	-	171	171	-	2,202	(166)	(166)	-	(166)	144	-	280	569
2016	2,323	172	15	2,510	2,323	244	(357)	2,211	8.9%	-	155	155	-	2,366	(145)	(310)	-	(310)	117	-	396	429
2017	2,507	132	21	2,660	2,507	212	(312)	2,407	8.9%	-	151	151	-	2,558	(102)	(413)	-	(413)	81	-	477	322
2018	2,706	95	25	2,826	2,706	173	(258)	2,620	8.9%	-	147	147	-	2,767	(59)	(472)	-	(472)	44	-	521	245
2019	2,920	69	27	3,016	2,920	135	(202)	2,852	8.9%	-	143	143	-	2,996	(21)	(492)	-	(492)	9	-	530	189
2020	3,151	51	28	3,230	3,151	107	(152)	3,105	8.9%	-	140	140	-	3,245	15	(477)	-	(477)	-	24	507	149
2021	3,400	39	27	3,466	3,400	85	(105)	3,380	8.9%	-	137	137	-	3,517	51	(426)	-	(426)	-	57	449	118
2022	3,670	29	24	3,722	3,670	69	(59)	3,680	8.9%	-	134	134	-	3,814	92	(334)	-	(334)	-	96	353	95
2023	3,960	22	19	4,001	3,960	52	(29)	3,983	8.2%	-	131	131	-	4,114	113	(221)	-	(221)	-	117	237	78
2024	4,274	18	12	4,304	4,274	38	(21)	4,291	7.7%	-	128	128	-	4,419	115	(106)	-	(106)	-	118	119	65
2025	4,613	14	6	4,633	4,613	26	(15)	4,625	7.8%	-	115	115	-	4,739	106	0	11	11	-	119	0	54
	48,024	3,098	213	51,335	48,024	3,613	(3,927)	47,710		336	3,228	3,564	3	51,276	-				577	577		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,326	2,469	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,758		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	90	-	90	1,577
2007	1,009	267	5	1,281	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	63	26	1,625
2008	1,030	270	1	1,300	1,030	295	(165)	1,159	3.6%	42	100	142	-	1,300	-	(0)	389	389	-	26	-	1,657
2009	1,107	282	-	1,389	1,107	296	(166)	1,237	6.7%	42	110	152	-	1,389	-	(0)	467	467	-	-	-	1,669
2010	1,371	301	-	1,672	1,371	310	(328)	1,353	9.4%	42	277	319	-	1,672	-	(0)	378	378	-	-	-	1,586
2011	1,478	317	-	1,794	1,478	331	(328)	1,480	9.4%	42	272	314	-	1,794	-	(0)	288	288	4	-	4	1,460
2012	1,592	320	0	1,912	1,592	348	(321)	1,620	9.4%	42	250	292	-	1,912	-	(0)	212	212	45	-	49	1,304
2013	1,903	307	3	2,212	1,903	354	(485)	1,772	9.4%	42	382	424	-	2,196	(17)	(17)	-	(17)	181	-	230	1,066
2014	2,054	278	12	2,343	2,054	351	(466)	1,939	9.4%	-	165	165	-	2,103	(240)	(257)	-	(257)	196	-	426	847
2015	2,217	239	22	2,478	2,217	330	(426)	2,121	9.4%	-	160	160	-	2,281	(198)	(454)	-	(454)	159	-	585	655
2016	2,393	198	31	2,622	2,393	297	(370)	2,320	9.4%	-	155	155	-	2,476	(146)	(601)	-	(601)	114	-	700	494
2017	2,583	152	37	2,772	2,583	258	(303)	2,539	9.4%	-	151	151	-	2,690	(82)	(683)	-	(683)	58	-	757	371
2018	2,789	110	40	2,939	2,789	211	(222)	2,777	9.4%	-	147	147	-	2,924	(14)	(697)	-	(697)	-	4	754	282
2019	3,011	80	40	3,130	3,011	164	(137)	3,038	9.4%	-	144	144	-	3,182	52	(645)	-	(645)	-	65	689	218
2020	3,251	59	36	3,345	3,251	127	(72)	3,307	8.8%	-	140	140	-	3,447	101	(544)	-	(544)	-	111	578	172
2021	3,510	45	30	3,585	3,510	98	(55)	3,552	7.4%	-	137	137	-	3,689	105	(439)	-	(439)	-	112	467	136
2022	3,789	33	25	3,847	3,789	76	(43)	3,823	7.6%	-	134	134	-	3,957	110	(330)	-	(330)	-	115	352	110
2023	4,091	26	18	4,135	4,091	57	(32)	4,116	7.7%	-	131	131	-	4,247	112	(218)	-	(218)	-	116	236	90
2024	4,417	21	12	4,450	4,417	42	(23)	4,435	7.8%	-	128	128	-	4,564	114	(104)	-	(104)	-	117	119	75
2025	4,769	16	6	4,791	4,769	29	(17)	4,782	7.8%	-	113	113	-	4,895	104	0	13	13	-	119	0	63
	49,352	3,540	318	53,210	49,352	4,211	(3,960)	49,603		336	3,209	3,545	3	53,151	-				847	847		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,425	2,491	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,751		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	132	-	132	1,791
2007	1,009	286	7	1,303	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	40	92	1,859
2008	1,030	304	5	1,338	1,030	320	(180)	1,170	4.5%	42	126	168	-	1,338	-	(0)	345	345	-	58	34	1,896
2009	1,107	319	2	1,428	1,107	336	(189)	1,254	7.2%	42	131	173	-	1,428	-	(0)	401	401	-	34	-	1,908
2010	1,394	344	-	1,738	1,394	351	(364)	1,381	10.1%	42	316	358	-	1,738	-	(0)	271	271	91	-	91	1,811
2011	1,502	364	5	1,871	1,502	384	(366)	1,520	10.1%	42	309	351	-	1,871	-	(0)	143	143	99	-	189	1,662
2012	1,619	365	10	1,994	1,619	411	(357)	1,674	10.1%	42	279	321	-	1,994	-	(0)	40	40	67	-	256	1,483
2013	1,956	351	13	2,320	1,956	417	(530)	1,843	10.1%	42	212	254	-	2,097	(223)	(223)	-	(223)	209	-	465	1,211
2014	2,112	316	24	2,452	2,112	413	(496)	2,029	10.1%	-	166	166	-	2,195	(257)	(480)	-	(480)	207	-	673	962
2015	2,280	272	35	2,588	2,280	386	(433)	2,234	10.1%	-	161	161	-	2,395	(193)	(674)	-	(674)	150	-	822	743
2016	2,463	225	43	2,731	2,463	347	(350)	2,459	10.1%	-	156	156	-	2,615	(115)	(789)	-	(789)	79	-	901	561
2017	2,660	172	47	2,879	2,660	299	(251)	2,708	10.1%	-	152	152	-	2,859	(20)	(808)	-	(808)	-	8	893	421
2018	2,872	125	47	3,044	2,872	241	(135)	2,978	10.0%	-	148	148	-	3,125	81	(727)	-	(727)	-	101	791	321
2019	3,102	90	42	3,234	3,102	183	(103)	3,182	6.9%	-	144	144	-	3,326	92	(635)	-	(635)	-	107	685	248
2020	3,350	66	36	3,453	3,350	139	(78)	3,411	7.2%	-	140	140	-	3,552	99	(536)	-	(536)	-	110	575	195
2021	3,619	51	30	3,700	3,619	106	(60)	3,665	7.4%	-	137	137	-	3,802	103	(433)	-	(433)	-	111	464	155
2022	3,908	38	24	3,971	3,908	83	(47)	3,945	7.6%	-	134	134	-	4,079	108	(325)	-	(325)	-	114	350	125
2023	4,222	29	18	4,269	4,222	62	(35)	4,249	7.7%	-	131	131	-	4,380	111	(214)	-	(214)	-	115	235	103
2024	4,560	23	12	4,596	4,560	46	(26)	4,580	7.8%	-	129	129	-	4,708	113	(101)	-	(101)	-	116	118	85
2025	4,925	18	6	4,950	4,925	33	(18)	4,940	7.9%	-	112	112	-	5,051	101	(0)	14	14	-	118	0	71
	50,680	3,982	408	55,069	50,680	4,791	(4,015)	51,456		336	3,216	3,552	3	55,010	-				1,034	1,034		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 11.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,518	2,515	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,744		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	174	-	174	2,001
2007	1,009	286	9	1,305	1,009	112	-	1,121	0.6%	42	136	178	0	1,299	(6)	(0)	280	280	-	33	141	2,107
2008	1,030	338	7	1,375	1,030	323	(181)	1,171	4.5%	42	162	204	-	1,375	-	(0)	312	312	-	23	118	2,150
2009	1,107	357	6	1,470	1,107	379	(213)	1,273	8.7%	42	155	197	-	1,470	-	(0)	347	347	-	32	86	2,162
2010	1,417	390	5	1,811	1,417	398	(402)	1,412	11.0%	42	357	399	-	1,811	-	(0)	176	176	148	-	233	2,049
2011	1,527	415	12	1,954	1,527	442	(402)	1,567	11.0%	42	345	387	-	1,954	-	(0)	14	14	128	-	361	1,876
2012	1,646	414	19	2,079	1,646	477	(384)	1,739	11.0%	42	192	234	-	1,972	(107)	(107)	-	(107)	80	-	441	1,669
2013	2,009	397	23	2,428	2,009	481	(561)	1,929	11.0%	42	173	215	-	2,144	(284)	(391)	-	(391)	223	-	663	1,362
2014	2,170	355	35	2,560	2,170	474	(503)	2,141	11.0%	-	167	167	-	2,308	(252)	(643)	-	(643)	196	-	859	1,081
2015	2,344	306	45	2,695	2,344	441	(409)	2,375	11.0%	-	162	162	-	2,537	(158)	(801)	-	(801)	109	-	968	835
2016	2,532	252	51	2,836	2,532	393	(289)	2,636	11.0%	-	157	157	-	2,793	(43)	(844)	-	(844)	2	-	970	631
2017	2,736	193	51	2,980	2,736	334	(187)	2,882	9.4%	-	152	152	-	3,034	55	(790)	-	(790)	-	86	884	474
2018	2,956	140	46	3,143	2,956	263	(148)	3,071	6.6%	-	148	148	-	3,219	76	(713)	-	(713)	-	99	785	360
2019	3,193	102	41	3,336	3,193	200	(112)	3,281	6.8%	-	144	144	-	3,425	89	(624)	-	(624)	-	105	680	279
2020	3,450	74	36	3,560	3,450	151	(85)	3,517	7.2%	-	141	141	-	3,657	97	(527)	-	(527)	-	109	571	220
2021	3,728	57	30	3,815	3,728	115	(64)	3,778	7.4%	-	137	137	-	3,916	101	(427)	-	(427)	-	110	462	175
2022	4,028	43	24	4,095	4,028	90	(50)	4,067	7.6%	-	134	134	-	4,202	107	(320)	-	(320)	-	113	348	141
2023	4,352	33	18	4,403	4,352	67	(38)	4,382	7.7%	-	131	131	-	4,513	110	(210)	-	(210)	-	115	234	116
2024	4,703	27	12	4,741	4,703	50	(28)	4,724	7.8%	-	129	129	-	4,853	112	(99)	-	(99)	-	116	118	96
2025	5,081	21	6	5,108	5,081	36	(20)	5,097	7.9%	-	110	110	-	5,207	99	0	16	16	-	118	0	80
	52,007	4,423	478	56,908	52,007	5,349	(4,078)	53,279		336	3,231	3,567	3	56,848	-				1,059	1,059		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 12.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,608	2,534	59	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,730		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	217	-	217	2,211
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	0	281	281	-	26	190	2,355
2008	1,030	372	10	1,412	1,030	326	(183)	1,172	4.5%	42	198	240	-	1,412	-	0	279	279	12	-	202	2,403
2009	1,107	395	11	1,512	1,107	421	(237)	1,292	10.2%	42	178	220	-	1,512	-	0	292	292	-	11	191	2,417
2010	1,440	435	10	1,885	1,440	445	(438)	1,447	12.0%	42	396	438	-	1,885	-	0	85	85	182	-	373	2,287
2011	1,552	465	20	2,037	1,552	500	(432)	1,620	12.0%	42	269	311	-	1,931	(106)	(106)	-	(106)	151	-	524	2,089
2012	1,673	464	28	2,164	1,673	542	(401)	1,814	12.0%	42	179	221	-	2,036	(129)	(235)	-	(235)	82	-	606	1,856
2013	2,062	442	32	2,536	2,062	545	(575)	2,032	12.0%	42	174	216	-	2,248	(288)	(522)	-	(522)	219	-	825	1,513
2014	2,228	395	43	2,667	2,228	534	(486)	2,276	12.0%	-	168	168	-	2,444	(222)	(744)	-	(744)	160	-	985	1,201
2015	2,408	340	52	2,800	2,408	492	(351)	2,549	12.0%	-	163	163	-	2,712	(88)	(833)	-	(833)	34	-	1,018	928
2016	2,602	280	53	2,936	2,602	433	(243)	2,792	9.5%	-	157	157	-	2,949	14	(819)	-	(819)	-	59	959	700
2017	2,812	214	50	3,076	2,812	364	(204)	2,971	6.4%	-	153	153	-	3,124	48	(771)	-	(771)	-	83	876	527
2018	3,039	156	46	3,241	3,039	286	(160)	3,164	6.5%	-	148	148	-	3,313	72	(699)	-	(699)	-	97	779	400
2019	3,285	113	41	3,439	3,285	217	(122)	3,380	6.8%	-	144	144	-	3,524	86	(613)	-	(613)	-	104	675	310
2020	3,550	82	35	3,668	3,550	163	(92)	3,622	7.2%	-	141	141	-	3,763	95	(519)	-	(519)	-	108	568	244
2021	3,837	63	30	3,930	3,837	124	(69)	3,891	7.4%	-	138	138	-	4,029	99	(420)	-	(420)	-	109	459	194
2022	4,147	47	24	4,219	4,147	96	(54)	4,190	7.7%	-	134	134	-	4,324	105	(315)	-	(315)	-	113	347	157
2023	4,483	37	18	4,538	4,483	72	(40)	4,514	7.8%	-	132	132	-	4,646	108	(207)	-	(207)	-	114	233	129
2024	4,845	30	12	4,887	4,845	54	(30)	4,869	7.9%	-	129	129	-	4,998	111	(96)	-	(96)	-	115	118	106
2025	5,237	23	6	5,267	5,237	39	(22)	5,255	7.9%	-	108	108	-	5,363	96	(0)	18	18	-	118	0	89
	53,335	4,864	532	58,731	53,335	5,891	(4,140)	55,086		336	3,247	3,583	3	58,672	-				1,055	1,055		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,187	2,445	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,737		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	45	-	45	1,351
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	45	-	1,376
2008	1,059	235	-	1,295	1,059	256	(144)	1,172	4.8%	42	81	123	-	1,295	-	(0)	441	441	-	-	-	1,390
2009	1,170	243	-	1,413	1,170	259	(159)	1,269	8.3%	42	102	144	-	1,413	-	(0)	529	529	-	-	-	1,385
2010	1,290	254	-	1,545	1,290	268	(183)	1,375	8.3%	42	128	170	-	1,545	-	(0)	592	592	-	-	-	1,356
2011	1,422	263	-	1,685	1,422	280	(212)	1,489	8.3%	42	154	196	-	1,685	-	(0)	628	628	-	-	-	1,302
2012	1,565	266	-	1,831	1,565	290	(242)	1,613	8.3%	42	176	218	-	1,831	-	(0)	640	640	-	-	-	1,225
2013	1,721	260	-	1,981	1,721	292	(267)	1,747	8.3%	42	192	234	-	1,981	-	(0)	633	633	-	-	-	1,129
2014	1,892	248	-	2,140	1,892	286	(286)	1,892	8.3%	-	247	247	-	2,140	-	(0)	567	567	-	-	-	1,014
2015	2,079	231	-	2,310	2,079	272	(302)	2,050	8.3%	-	261	261	-	2,310	-	(0)	482	482	-	-	-	881
2016	2,283	213	-	2,496	2,283	255	(318)	2,220	8.3%	-	276	276	-	2,496	-	(0)	375	375	-	-	-	737
2017	2,507	190	-	2,697	2,507	234	(337)	2,405	8.3%	-	293	293	-	2,697	-	(0)	244	244	-	-	-	587
2018	2,706	163	-	2,869	2,706	209	(310)	2,604	8.3%	-	264	264	-	2,869	-	(0)	134	134	-	-	-	456
2019	2,920	134	-	3,053	2,920	180	(278)	2,821	8.3%	-	232	232	-	3,053	-	(0)	48	48	22	-	22	348
2020	3,151	105	1	3,257	3,151	148	(244)	3,055	8.3%	-	189	189	-	3,245	(12)	(12)	-	(12)	43	-	64	264
2021	3,400	78	3	3,482	3,400	119	(210)	3,310	8.3%	-	138	138	-	3,447	(34)	(46)	-	(46)	22	-	86	201
2022	3,670	57	5	3,731	3,670	91	(176)	3,585	8.3%	-	135	135	-	3,719	(12)	(58)	-	(58)	3	-	89	155
2023	3,960	42	5	4,007	3,960	68	(145)	3,883	8.3%	-	132	132	-	4,014	7	(51)	-	(51)	-	14	75	122
2024	4,274	31	4	4,309	4,274	50	(119)	4,205	8.3%	-	129	129	-	4,334	25	(26)	-	(26)	-	30	46	97
2025	4,613	24	2	4,639	4,613	37	(95)	4,555	8.3%	-	110	110	-	4,665	26	0	16	16	-	46	-	79
	47,681	3,493	22	51,197	47,681	3,826	(4,026)	47,482		336	3,317	3,653	3	51,137	-				134	134		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,286	2,455	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,717		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	88	-	88	1,567
2007	1,009	267	5	1,281	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	67	20	1,596
2008	1,064	269	1	1,334	1,064	294	(165)	1,193	6.6%	42	99	141	-	1,334	-	(0)	389	389	-	20	-	1,612
2009	1,179	280	-	1,459	1,179	296	(180)	1,295	8.6%	42	122	164	-	1,459	-	(0)	456	456	-	-	-	1,606
2010	1,305	296	-	1,600	1,305	308	(207)	1,406	8.6%	42	152	194	-	1,600	-	(0)	491	491	-	-	-	1,570
2011	1,442	307	-	1,749	1,442	325	(240)	1,527	8.6%	42	180	222	-	1,749	-	(0)	496	496	-	-	-	1,503
2012	1,592	308	-	1,900	1,592	338	(272)	1,657	8.6%	42	201	243	-	1,900	-	(0)	478	478	-	-	-	1,412
2013	1,756	301	-	2,057	1,756	339	(295)	1,799	8.6%	42	215	257	-	2,057	-	(0)	441	441	-	-	-	1,298
2014	1,935	285	-	2,221	1,935	331	(313)	1,953	8.6%	-	267	267	-	2,221	-	(0)	348	348	-	-	-	1,166
2015	2,132	267	-	2,398	2,132	314	(325)	2,121	8.6%	-	278	278	-	2,398	-	(0)	237	237	-	-	-	1,012
2016	2,347	244	-	2,592	2,347	293	(338)	2,303	8.6%	-	289	289	-	2,592	-	(0)	108	108	61	-	61	846
2017	2,583	218	3	2,805	2,583	272	(356)	2,500	8.6%	-	262	262	-	2,762	(43)	(43)	-	(43)	117	-	178	674
2018	2,789	187	9	2,986	2,789	250	(325)	2,714	8.6%	-	150	150	-	2,864	(122)	(165)	-	(165)	92	-	270	524
2019	3,011	153	14	3,179	3,011	222	(286)	2,947	8.6%	-	145	145	-	3,092	(87)	(252)	-	(252)	62	-	332	400
2020	3,251	120	17	3,388	3,251	188	(240)	3,199	8.6%	-	142	142	-	3,341	(47)	(299)	-	(299)	28	-	360	303
2021	3,510	89	19	3,618	3,510	153	(189)	3,473	8.6%	-	138	138	-	3,611	(7)	(306)	-	(306)	-	8	352	231
2022	3,789	65	18	3,873	3,789	119	(137)	3,771	8.6%	-	135	135	-	3,905	33	(273)	-	(273)	-	43	309	178
2023	4,091	48	16	4,155	4,091	90	(87)	4,094	8.6%	-	132	132	-	4,225	70	(203)	-	(203)	-	78	231	140
2024	4,417	36	12	4,465	4,417	66	(39)	4,444	8.6%	-	129	129	-	4,573	108	(95)	-	(95)	-	114	117	112
2025	4,769	27	6	4,803	4,769	46	(26)	4,789	7.8%	-	108	108	-	4,897	95	0	18	18	-	117	0	90
	48,960	3,991	122	53,073	48,960	4,478	(4,020)	49,418		336	3,257	3,593	3	53,013	-				447	447		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,384	2,475	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,709		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	130	-	130	1,780
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	45	86	1,826
2008	1,068	303	4	1,376	1,068	320	(179)	1,208	7.9%	42	125	167	-	1,376	-	(0)	345	345	-	62	24	1,845
2009	1,188	317	1	1,506	1,188	335	(207)	1,316	8.9%	42	148	190	-	1,506	-	(0)	385	385	-	24	-	1,838
2010	1,319	338	-	1,658	1,319	349	(234)	1,434	8.9%	42	181	223	-	1,658	-	(0)	388	388	-	-	-	1,793
2011	1,462	353	-	1,815	1,462	372	(272)	1,562	8.9%	42	211	253	-	1,815	-	(0)	359	359	-	-	-	1,711
2012	1,619	353	-	1,972	1,619	388	(305)	1,702	8.9%	42	227	269	-	1,972	-	(0)	308	308	12	-	12	1,604
2013	1,791	343	1	2,135	1,791	389	(325)	1,854	8.9%	42	238	280	-	2,135	-	(0)	242	242	40	-	52	1,472
2014	1,979	324	3	2,306	1,979	381	(339)	2,020	8.9%	-	285	285	-	2,306	-	(0)	125	125	87	-	139	1,320
2015	2,185	303	7	2,495	2,185	365	(349)	2,201	8.9%	-	289	289	-	2,490	(5)	(5)	-	(5)	95	-	234	1,145
2016	2,411	277	12	2,700	2,411	347	(360)	2,398	8.9%	-	159	159	-	2,557	(143)	(148)	-	(148)	105	-	340	956
2017	2,660	247	18	2,924	2,660	324	(371)	2,612	8.9%	-	155	155	-	2,767	(157)	(306)	-	(306)	118	-	458	762
2018	2,872	212	24	3,109	2,872	298	(324)	2,846	8.9%	-	150	150	-	2,996	(112)	(418)	-	(418)	79	-	536	592
2019	3,102	173	28	3,304	3,102	264	(266)	3,100	8.9%	-	146	146	-	3,246	(57)	(475)	-	(475)	29	-	566	452
2020	3,350	135	30	3,515	3,350	223	(196)	3,378	8.9%	-	142	142	-	3,520	4	(471)	-	(471)	-	26	540	343
2021	3,619	101	28	3,748	3,619	180	(119)	3,680	8.9%	-	138	138	-	3,818	70	(401)	-	(401)	-	87	453	261
2022	3,908	74	24	4,006	3,908	137	(77)	3,969	7.8%	-	135	135	-	4,104	98	(303)	-	(303)	-	109	344	202
2023	4,222	55	18	4,294	4,222	101	(57)	4,266	7.5%	-	132	132	-	4,398	104	(200)	-	(200)	-	112	231	159
2024	4,560	41	12	4,613	4,560	73	(41)	4,592	7.6%	-	129	129	-	4,721	108	(91)	-	(91)	-	115	117	127
2025	4,925	31	6	4,962	4,925	52	(29)	4,948	7.7%	-	106	106	-	5,053	91	(0)	21	21	-	117	-	103
	50,239	4,489	224	54,951	50,239	5,133	(4,050)	51,321		336	3,232	3,568	3	54,892	-				696	696		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,483	2,513	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,725		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	172	-	172	1,989
2007	1,009	286	9	1,305	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	38	134	2,071
2008	1,072	338	7	1,417	1,072	323	(181)	1,214	8.3%	42	161	203	-	1,417	-	(0)	312	312	-	27	107	2,093
2009	1,197	355	6	1,557	1,197	377	(245)	1,330	9.5%	42	186	228	-	1,557	-	(0)	316	316	-	6	101	2,084
2010	1,333	383	5	1,722	1,333	396	(273)	1,457	9.5%	42	224	266	-	1,722	-	(0)	278	278	27	-	127	2,029
2011	1,483	403	7	1,892	1,483	429	(316)	1,596	9.5%	42	255	297	-	1,892	-	(0)	206	206	53	-	180	1,930
2012	1,646	400	9	2,056	1,646	453	(352)	1,748	9.5%	42	266	308	-	2,056	-	(0)	118	118	62	-	242	1,804
2013	1,825	388	13	2,226	1,825	454	(365)	1,915	9.5%	42	270	312	-	2,226	-	(0)	23	23	65	-	308	1,652
2014	2,022	365	16	2,403	2,022	445	(369)	2,097	9.5%	-	192	192	-	2,290	(113)	(113)	-	(113)	102	-	409	1,479
2015	2,238	340	21	2,600	2,238	425	(365)	2,298	9.5%	-	165	165	-	2,463	(137)	(250)	-	(250)	97	-	507	1,282
2016	2,475	310	27	2,812	2,475	404	(362)	2,517	9.5%	-	160	160	-	2,677	(135)	(385)	-	(385)	92	-	599	1,070
2017	2,736	276	31	3,043	2,736	376	(354)	2,757	9.5%	-	156	156	-	2,913	(130)	(515)	-	(515)	87	-	686	852
2018	2,956	237	36	3,229	2,956	343	(278)	3,020	9.5%	-	151	151	-	3,171	(58)	(573)	-	(573)	20	-	705	663
2019	3,193	194	37	3,424	3,193	302	(187)	3,309	9.5%	-	147	147	-	3,455	31	(542)	-	(542)	-	62	643	506
2020	3,450	151	34	3,635	3,450	250	(141)	3,560	7.6%	-	142	142	-	3,703	68	(474)	-	(474)	-	92	551	384
2021	3,728	113	29	3,870	3,728	198	(111)	3,815	7.1%	-	139	139	-	3,953	84	(390)	-	(390)	-	102	449	293
2022	4,028	83	24	4,134	4,028	150	(84)	4,094	7.3%	-	135	135	-	4,229	95	(296)	-	(296)	-	108	341	227
2023	4,352	61	18	4,431	4,352	111	(62)	4,401	7.5%	-	132	132	-	4,533	101	(194)	-	(194)	-	111	230	178
2024	4,703	46	12	4,760	4,703	81	(45)	4,738	7.7%	-	129	129	-	4,867	107	(88)	-	(88)	-	114	116	142
2025	5,081	35	6	5,122	5,081	57	(32)	5,106	7.8%	-	103	103	-	5,210	88	(0)	23	23	-	116	-	115
	51,517	4,986	347	56,851	51,517	5,810	(4,122)	53,205		336	3,248	3,584	3	56,791	-				777	777		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,577	2,543	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,727		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	214	-	214	2,198
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	(0)	281	281	-	32	182	2,315
2008	1,077	372	10	1,458	1,077	325	(183)	1,219	8.6%	42	197	239	-	1,458	-	(0)	279	279	7	-	189	2,341
2009	1,206	392	10	1,608	1,206	420	(282)	1,344	10.3%	42	222	264	-	1,608	-	(0)	249	249	28	-	217	2,331
2010	1,348	428	11	1,787	1,348	444	(309)	1,482	10.3%	42	263	305	-	1,787	-	(0)	174	174	62	-	279	2,265
2011	1,503	452	15	1,970	1,503	487	(356)	1,634	10.3%	42	293	335	-	1,970	-	(0)	64	64	86	-	366	2,149
2012	1,673	448	19	2,140	1,673	519	(390)	1,802	10.3%	42	244	286	-	2,088	(52)	(52)	-	(52)	87	-	453	2,004
2013	1,860	433	24	2,317	1,860	519	(392)	1,987	10.3%	42	175	217	-	2,205	(113)	(164)	-	(164)	78	-	531	1,832
2014	2,065	406	28	2,499	2,065	507	(382)	2,191	10.3%	-	171	171	-	2,362	(137)	(301)	-	(301)	98	-	629	1,639
2015	2,291	378	33	2,702	2,291	483	(358)	2,416	10.3%	-	166	166	-	2,582	(120)	(421)	-	(421)	76	-	705	1,419
2016	2,539	344	37	2,920	2,539	456	(331)	2,664	10.3%	-	161	161	-	2,825	(95)	(516)	-	(516)	47	-	752	1,183
2017	2,812	305	39	3,157	2,812	422	(297)	2,937	10.3%	-	157	157	-	3,094	(63)	(579)	-	(579)	15	-	767	943
2018	3,039	263	40	3,342	3,039	380	(213)	3,206	9.1%	-	152	152	-	3,357	15	(563)	-	(563)	-	57	710	733
2019	3,285	214	37	3,536	3,285	330	(185)	3,429	7.0%	-	147	147	-	3,576	40	(523)	-	(523)	-	75	635	560
2020	3,550	167	33	3,750	3,550	273	(153)	3,670	7.0%	-	143	143	-	3,813	62	(461)	-	(461)	-	89	546	425
2021	3,837	124	29	3,990	3,837	215	(121)	3,931	7.1%	-	139	139	-	4,070	80	(380)	-	(380)	-	100	445	324
2022	4,147	91	23	4,262	4,147	163	(91)	4,219	7.3%	-	136	136	-	4,354	92	(288)	-	(288)	-	107	338	251
2023	4,483	68	18	4,568	4,483	120	(67)	4,535	7.5%	-	132	132	-	4,668	99	(189)	-	(189)	-	110	228	197
2024	4,845	51	12	4,908	4,845	88	(49)	4,884	7.7%	-	129	129	-	5,013	105	(84)	-	(84)	-	113	115	157
2025	5,237	38	6	5,282	5,237	62	(35)	5,265	7.8%	-	101	101	-	5,366	84	(0)	25	25	-	115	-	127
	52,796	5,484	436	58,716	52,796	6,450	(4,193)	55,052		336	3,265	3,601	3	58,656	-				799	799		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,200	2,444	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,730		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	43	-	43	1,343
2007	1,009	233	2	1,245	1,009	108	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	43	-	1,348
2008	1,088	235	-	1,322	1,088	256	(144)	1,200	7.3%	42	80	122	-	1,322	-	(0)	441	441	-	-	-	1,316
2009	1,226	242	-	1,468	1,226	258	(188)	1,297	8.1%	42	129	171	-	1,468	-	(0)	503	503	-	-	-	1,239
2010	1,376	248	-	1,624	1,376	266	(241)	1,401	8.1%	42	181	223	-	1,624	-	(0)	511	511	-	-	-	1,113
2011	1,538	248	-	1,786	1,538	273	(297)	1,514	8.1%	42	231	273	-	1,786	-	(0)	467	467	-	-	-	949
2012	1,714	236	-	1,950	1,714	273	(352)	1,636	8.1%	42	272	314	-	1,950	-	(0)	376	376	-	-	-	765
2013	1,849	209	-	2,059	1,849	259	(342)	1,767	8.1%	42	250	292	-	2,059	-	(0)	301	301	-	-	-	598
2014	1,996	174	-	2,169	1,996	230	(316)	1,910	8.1%	-	260	260	-	2,169	-	(0)	209	209	-	-	-	458
2015	2,153	136	-	2,289	2,153	191	(281)	2,063	8.1%	-	226	226	-	2,289	-	(0)	145	145	-	-	-	348
2016	2,323	102	-	2,426	2,323	149	(244)	2,229	8.1%	-	196	196	-	2,426	-	(0)	104	104	-	-	-	265
2017	2,507	75	-	2,582	2,507	112	(211)	2,409	8.1%	-	174	174	-	2,582	-	(0)	82	82	-	-	-	205
2018	2,706	55	-	2,761	2,706	83	(186)	2,603	8.1%	-	158	158	-	2,761	-	(0)	71	71	-	-	-	161
2019	2,920	41	-	2,961	2,920	61	(168)	2,812	8.1%	-	149	149	-	2,961	-	(0)	67	67	-	-	-	129
2020	3,151	32	-	3,183	3,151	45	(157)	3,039	8.1%	-	144	144	-	3,183	-	(0)	64	64	-	-	-	104
2021	3,400	24	-	3,425	3,400	35	(152)	3,283	8.1%	-	141	141	-	3,425	-	(0)	61	61	-	-	-	85
2022	3,670	19	-	3,689	3,670	27	(149)	3,548	8.1%	-	141	141	-	3,689	-	(0)	55	55	-	-	-	70
2023	3,960	15	-	3,976	3,960	21	(148)	3,833	8.1%	-	142	142	-	3,976	-	(0)	45	45	-	-	-	58
2024	4,274	12	-	4,287	4,274	17	(149)	4,142	8.1%	-	145	145	-	4,287	-	(0)	30	30	-	-	-	49
2025	4,613	10	-	4,623	4,613	14	(151)	4,475	8.1%	-	148	148	-	4,623	-	(0)	8	8	-	-	-	41
	48,463	2,570	2	51,036	48,463	2,805	(3,875)	47,393		336	3,246	3,582	3	50,977	-				43	43		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,314	2,462	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,732		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	86	-	86	1,557
2007	1,009	267	4	1,280	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	0	299	299	-	72	14	1,564
2008	1,096	269	1	1,365	1,096	294	(177)	1,213	8.4%	42	110	152	-	1,365	-	0	377	377	-	14	-	1,528
2009	1,243	278	-	1,521	1,243	295	(224)	1,314	8.4%	42	165	207	-	1,521	-	0	401	401	-	-	-	1,440
2010	1,402	289	-	1,691	1,402	305	(283)	1,425	8.4%	42	224	266	-	1,691	-	0	362	362	-	-	-	1,292
2011	1,575	290	-	1,865	1,575	317	(348)	1,544	8.4%	42	278	320	-	1,865	-	0	264	264	-	-	-	1,100
2012	1,763	274	-	2,036	1,763	319	(408)	1,674	8.4%	42	321	363	-	2,036	-	0	117	117	61	-	61	885
2013	1,903	243	3	2,149	1,903	305	(393)	1,814	8.4%	42	283	325	-	2,139	(10)	(10)	-	(10)	87	-	148	691
2014	2,054	201	8	2,262	2,054	276	(363)	1,966	8.4%	-	162	162	-	2,128	(134)	(144)	-	(144)	102	-	250	530
2015	2,217	157	13	2,387	2,217	236	(321)	2,131	8.4%	-	157	157	-	2,288	(99)	(243)	-	(243)	73	-	323	402
2016	2,393	118	17	2,528	2,393	192	(275)	2,310	8.4%	-	153	153	-	2,463	(65)	(308)	-	(308)	46	-	369	307
2017	2,583	87	19	2,690	2,583	151	(231)	2,503	8.4%	-	150	150	-	2,653	(37)	(345)	-	(345)	23	-	392	237
2018	2,789	64	21	2,874	2,789	118	(194)	2,713	8.4%	-	146	146	-	2,859	(14)	(359)	-	(359)	4	-	396	186
2019	3,011	48	21	3,079	3,011	94	(164)	2,941	8.4%	-	143	143	-	3,084	4	(355)	-	(355)	-	12	384	149
2020	3,251	37	20	3,307	3,251	75	(138)	3,188	8.4%	-	140	140	-	3,327	20	(335)	-	(335)	-	26	359	120
2021	3,510	28	19	3,557	3,510	61	(116)	3,455	8.4%	-	137	137	-	3,592	35	(300)	-	(300)	-	39	320	98
2022	3,789	22	17	3,828	3,789	50	(94)	3,745	8.4%	-	134	134	-	3,878	50	(250)	-	(250)	-	54	266	81
2023	4,091	18	14	4,123	4,091	40	(72)	4,059	8.4%	-	131	131	-	4,190	67	(183)	-	(183)	-	69	196	67
2024	4,417	14	10	4,442	4,417	31	(49)	4,399	8.4%	-	128	128	-	4,527	86	(97)	-	(97)	-	88	109	57
2025	4,769	12	6	4,787	4,769	22	(23)	4,768	8.4%	-	116	116	-	4,884	97	0	10	10	-	109	-	48
	49,854	2,937	193	52,983	49,854	3,414	(3,873)	49,395		336	3,191	3,527	3	52,924	-				482	482		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,430	2,482	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,739		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	128	-	128	1,769
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	50	78	1,790
2008	1,104	303	4	1,411	1,104	319	(204)	1,219	8.9%	42	149	191	-	1,411	-	(0)	321	321	-	49	29	1,751
2009	1,260	314	2	1,576	1,260	335	(267)	1,328	8.9%	42	207	249	-	1,576	-	(0)	301	301	-	0	29	1,650
2010	1,429	331	2	1,761	1,429	348	(331)	1,446	8.9%	42	273	315	-	1,761	-	(0)	211	211	57	-	85	1,480
2011	1,612	334	4	1,950	1,612	369	(406)	1,574	8.9%	42	334	376	-	1,950	-	(0)	54	54	112	-	197	1,257
2012	1,811	314	10	2,135	1,811	379	(476)	1,714	8.9%	42	227	269	-	1,983	(152)	(152)	-	(152)	158	-	355	1,011
2013	1,956	278	19	2,252	1,956	366	(455)	1,866	8.9%	42	168	210	-	2,076	(177)	(329)	-	(329)	132	-	487	789
2014	2,112	229	26	2,367	2,112	334	(414)	2,032	8.9%	-	163	163	-	2,194	(172)	(501)	-	(501)	135	-	622	605
2015	2,280	180	33	2,493	2,280	288	(356)	2,212	8.9%	-	158	158	-	2,370	(123)	(624)	-	(624)	94	-	716	459
2016	2,463	135	38	2,635	2,463	239	(293)	2,409	8.9%	-	154	154	-	2,562	(72)	(697)	-	(697)	51	-	767	350
2017	2,660	99	40	2,799	2,660	192	(229)	2,623	8.9%	-	150	150	-	2,773	(26)	(723)	-	(723)	10	-	777	271
2018	2,872	74	41	2,987	2,872	154	(170)	2,856	8.9%	-	146	146	-	3,002	15	(708)	-	(708)	-	27	750	213
2019	3,102	54	39	3,196	3,102	124	(117)	3,109	8.9%	-	143	143	-	3,252	56	(652)	-	(652)	-	65	685	170
2020	3,350	42	36	3,428	3,350	99	(65)	3,385	8.9%	-	140	140	-	3,525	97	(554)	-	(554)	-	104	582	137
2021	3,619	32	31	3,681	3,619	79	(45)	3,653	7.9%	-	137	137	-	3,790	109	(446)	-	(446)	-	114	468	112
2022	3,908	26	25	3,959	3,908	62	(35)	3,936	7.7%	-	134	134	-	4,070	111	(335)	-	(335)	-	115	353	93
2023	4,222	20	19	4,261	4,222	49	(27)	4,243	7.8%	-	131	131	-	4,374	113	(221)	-	(221)	-	116	237	77
2024	4,560	16	12	4,589	4,560	36	(20)	4,576	7.8%	-	128	128	-	4,704	115	(106)	-	(106)	-	118	119	65
2025	4,925	13	6	4,945	4,925	25	(14)	4,936	7.9%	-	115	115	-	5,051	106	0	11	11	-	119	-	55
	51,244	3,303	392	54,939	51,244	4,033	(3,926)	51,351		336	3,190	3,526	3	54,880	-				876	876		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,529	2,502	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,734		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	170	-	170	1,977
2007	1,009	286	9	1,304	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	44	126	2,031
2008	1,112	337	7	1,456	1,112	322	(206)	1,228	9.6%	42	186	228	-	1,456	-	(0)	287	287	-	16	110	1,988
2009	1,277	352	6	1,635	1,277	377	(309)	1,346	9.6%	42	247	289	-	1,635	-	(0)	229	229	36	-	147	1,876
2010	1,456	375	8	1,838	1,456	396	(377)	1,474	9.6%	42	322	364	-	1,838	-	(0)	91	91	98	-	245	1,681
2011	1,649	381	13	2,043	1,649	426	(460)	1,615	9.6%	42	271	313	-	1,928	(114)	(114)	-	(114)	155	-	400	1,425
2012	1,859	357	21	2,238	1,859	443	(532)	1,770	9.6%	42	174	216	-	1,986	(252)	(366)	-	(366)	196	-	595	1,146
2013	2,009	316	31	2,356	2,009	427	(497)	1,939	9.6%	42	169	211	-	2,150	(206)	(572)	-	(572)	155	-	751	893
2014	2,170	259	39	2,469	2,170	391	(436)	2,125	9.6%	-	163	163	-	2,288	(181)	(752)	-	(752)	139	-	889	684
2015	2,344	204	47	2,595	2,344	337	(353)	2,328	9.6%	-	159	159	-	2,487	(108)	(860)	-	(860)	75	-	964	519
2016	2,532	152	51	2,735	2,532	280	(262)	2,551	9.6%	-	154	154	-	2,705	(30)	(891)	-	(891)	6	-	970	396
2017	2,736	112	51	2,898	2,736	224	(165)	2,795	9.6%	-	150	150	-	2,945	46	(845)	-	(845)	-	64	906	307
2018	2,956	83	48	3,087	2,956	175	(98)	3,033	8.5%	-	147	147	-	3,179	92	(752)	-	(752)	-	106	800	240
2019	3,193	62	42	3,297	3,193	138	(77)	3,254	7.3%	-	143	143	-	3,397	100	(652)	-	(652)	-	110	691	192
2020	3,450	47	36	3,533	3,450	108	(60)	3,498	7.5%	-	140	140	-	3,637	104	(548)	-	(548)	-	111	579	155
2021	3,728	36	30	3,795	3,728	85	(48)	3,765	7.7%	-	137	137	-	3,902	107	(441)	-	(441)	-	113	466	127
2022	4,028	29	24	4,081	4,028	67	(38)	4,057	7.8%	-	134	134	-	4,191	110	(331)	-	(331)	-	114	352	105
2023	4,352	23	18	4,394	4,352	52	(29)	4,375	7.8%	-	131	131	-	4,506	112	(218)	-	(218)	-	116	236	87
2024	4,703	19	12	4,734	4,703	39	(22)	4,720	7.9%	-	128	128	-	4,848	114	(104)	-	(104)	-	117	119	73
2025	5,081	15	6	5,103	5,081	27	(15)	5,093	7.9%	-	113	113	-	5,207	104	(0)	12	12	-	119	-	62
	52,634	3,669	500	56,803	52,634	4,550	(3,983)	53,201		336	3,204	3,540	3	56,743	-				1,029	1,029		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,622	2,519	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,720		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	211	-	211	2,185
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	0	281	281	-	38	174	2,272
2008	1,121	371	9	1,501	1,121	325	(207)	1,239	10.4%	42	220	262	-	1,501	-	0	255	255	16	-	190	2,225
2009	1,295	389	10	1,694	1,295	419	(346)	1,368	10.4%	42	284	326	-	1,694	-	0	162	162	69	-	259	2,101
2010	1,482	419	14	1,914	1,482	443	(415)	1,510	10.4%	42	348	390	-	1,900	(14)	(14)	-	(14)	132	-	391	1,882
2011	1,686	429	21	2,135	1,686	483	(502)	1,667	10.4%	42	181	223	-	1,890	(245)	(259)	-	(259)	187	-	578	1,594
2012	1,908	401	30	2,339	1,908	505	(573)	1,840	10.4%	42	175	217	-	2,058	(281)	(541)	-	(541)	218	-	797	1,280
2013	2,062	354	42	2,457	2,062	487	(517)	2,032	10.4%	42	170	212	-	2,243	(214)	(754)	-	(754)	157	-	954	998
2014	2,228	290	50	2,568	2,228	444	(429)	2,243	10.4%	-	164	164	-	2,407	(161)	(915)	-	(915)	114	-	1,068	764
2015	2,408	228	56	2,691	2,408	380	(312)	2,476	10.4%	-	159	159	-	2,635	(56)	(971)	-	(971)	19	-	1,087	580
2016	2,602	170	57	2,829	2,602	313	(182)	2,734	10.4%	-	155	155	-	2,888	59	(912)	-	(912)	-	87	1,001	443
2017	2,812	125	53	2,989	2,812	245	(137)	2,919	6.8%	-	151	151	-	3,070	81	(831)	-	(831)	-	101	900	343
2018	3,039	93	47	3,180	3,039	189	(106)	3,122	6.9%	-	147	147	-	3,269	89	(742)	-	(742)	-	104	796	268
2019	3,285	69	42	3,395	3,285	149	(83)	3,350	7.3%	-	143	143	-	3,493	98	(644)	-	(644)	-	109	687	214
2020	3,550	52	36	3,638	3,550	116	(65)	3,601	7.5%	-	140	140	-	3,741	103	(542)	-	(542)	-	111	576	173
2021	3,837	40	30	3,908	3,837	91	(51)	3,877	7.7%	-	137	137	-	4,014	106	(435)	-	(435)	-	112	464	142
2022	4,147	32	24	4,204	4,147	71	(40)	4,179	7.8%	-	134	134	-	4,313	109	(327)	-	(327)	-	114	350	117
2023	4,483	26	18	4,527	4,483	56	(31)	4,507	7.9%	-	131	131	-	4,638	111	(216)	-	(216)	-	115	235	97
2024	4,845	21	12	4,879	4,845	42	(24)	4,864	7.9%	-	128	128	-	4,992	114	(102)	-	(102)	-	117	118	81
2025	5,237	17	6	5,261	5,237	30	(17)	5,251	7.9%	-	112	112	-	5,363	102	(0)	14	14	-	118	-	69
	54,025	4,034	569	58,628	54,025	5,025	(4,037)	55,013		336	3,217	3,553	3	58,569	-				1,125	1,125		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,240	2,462	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,786	2025 Ending Surplus / (Deficit)			7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	45	-	45	1,352
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	0	332	332	-	45	-	1,337
2008	1,030	235	-	1,264	1,030	256	(144)	1,142	2.1%	42	81	123	-	1,264	-	0	441	441	-	-	-	1,289
2009	1,365	242	-	1,607	1,365	258	(383)	1,241	8.6%	42	324	366	-	1,607	-	0	307	307	-	-	-	1,113
2010	1,473	247	-	1,720	1,473	266	(391)	1,348	8.6%	42	330	372	-	1,720	-	0	159	159	26	-	26	924
2011	1,589	241	1	1,831	1,589	274	(398)	1,464	8.6%	42	325	367	-	1,831	-	0	8	8	113	-	139	734
2012	1,714	214	7	1,936	1,714	273	(396)	1,591	8.6%	42	176	218	-	1,809	(127)	(127)	-	(127)	100	-	239	561
2013	1,849	171	13	2,033	1,849	250	(371)	1,728	8.6%	42	164	206	-	1,934	(98)	(225)	-	(225)	71	-	310	422
2014	1,996	124	16	2,136	1,996	205	(324)	1,877	8.6%	-	160	160	-	2,037	(99)	(324)	-	(324)	79	-	388	322
2015	2,153	91	20	2,265	2,153	159	(272)	2,040	8.6%	-	156	156	-	2,195	(70)	(394)	-	(394)	55	-	443	249
2016	2,323	67	23	2,414	2,323	126	(234)	2,216	8.6%	-	152	152	-	2,368	(46)	(440)	-	(440)	36	-	479	196
2017	2,507	52	25	2,584	2,507	102	(202)	2,407	8.6%	-	149	149	-	2,556	(28)	(468)	-	(468)	20	-	499	154
2018	2,706	38	26	2,770	2,706	86	(176)	2,615	8.6%	-	145	145	-	2,761	(9)	(478)	-	(478)	4	-	503	125
2019	2,920	29	26	2,975	2,920	71	(150)	2,841	8.6%	-	142	142	-	2,983	8	(469)	-	(469)	-	13	490	102
2020	3,151	24	26	3,200	3,151	60	(125)	3,087	8.6%	-	139	139	-	3,226	26	(444)	-	(444)	-	29	460	84
2021	3,400	18	24	3,443	3,400	52	(100)	3,353	8.6%	-	136	136	-	3,490	47	(397)	-	(397)	-	49	411	70
2022	3,670	15	22	3,706	3,670	44	(71)	3,643	8.6%	-	134	134	-	3,776	70	(327)	-	(327)	-	73	338	59
2023	3,960	12	18	3,991	3,960	36	(39)	3,958	8.6%	-	131	131	-	4,088	98	(229)	-	(229)	-	100	239	49
2024	4,274	10	13	4,297	4,274	28	(15)	4,286	8.3%	-	128	128	-	4,414	117	(112)	-	(112)	-	119	120	41
2025	4,613	8	6	4,628	4,613	18	(10)	4,621	7.8%	-	118	118	-	4,740	112	0	7	7	-	120	0	35
	48,692	2,295	269	51,256	48,692	2,798	(3,799)	47,690		336	3,168	3,504	3	51,197	-				547	547		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,354	2,475	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,780	2025 Ending Surplus / (Deficit)			8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	88	-	88	1,568
2007	1,009	267	5	1,281	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	76	11	1,551
2008	1,030	269	1	1,299	1,030	294	(165)	1,158	3.5%	42	98	140	-	1,299	-	(0)	389	389	-	11	-	1,497
2009	1,402	278	-	1,680	1,402	296	(434)	1,263	9.1%	42	375	417	-	1,680	-	(0)	203	203	56	-	56	1,295
2010	1,513	287	3	1,803	1,513	309	(444)	1,378	9.1%	42	383	425	-	1,803	(1)	(1)	-	(1)	160	-	216	1,075
2011	1,633	281	11	1,925	1,633	329	(459)	1,503	9.1%	42	175	217	-	1,720	(206)	(206)	-	(206)	161	-	377	853
2012	1,763	249	20	2,032	1,763	331	(454)	1,639	9.1%	42	170	212	-	1,851	(181)	(388)	-	(388)	141	-	518	652
2013	1,903	199	27	2,128	1,903	304	(419)	1,788	9.1%	42	165	207	-	1,994	(134)	(521)	-	(521)	102	-	620	491
2014	2,054	144	33	2,230	2,054	254	(358)	1,950	9.1%	-	160	160	-	2,110	(120)	(641)	-	(641)	97	-	716	375
2015	2,217	106	38	2,361	2,217	200	(290)	2,126	9.1%	-	156	156	-	2,283	(78)	(720)	-	(720)	61	-	778	290
2016	2,393	78	41	2,512	2,393	162	(236)	2,319	9.1%	-	152	152	-	2,472	(41)	(761)	-	(761)	28	-	806	227
2017	2,583	60	42	2,686	2,583	133	(187)	2,529	9.1%	-	149	149	-	2,678	(8)	(768)	-	(768)	-	2	804	180
2018	2,789	45	42	2,876	2,789	113	(143)	2,759	9.1%	-	146	146	-	2,904	28	(740)	-	(740)	-	35	769	145
2019	3,011	34	40	3,085	3,011	94	(96)	3,009	9.1%	-	142	142	-	3,151	66	(674)	-	(674)	-	71	698	118
2020	3,251	27	37	3,315	3,251	78	(47)	3,281	9.1%	-	139	139	-	3,421	106	(568)	-	(568)	-	110	587	97
2021	3,510	21	31	3,562	3,510	64	(36)	3,538	7.8%	-	136	136	-	3,674	112	(455)	-	(455)	-	116	472	81
2022	3,789	17	25	3,831	3,789	51	(28)	3,811	7.7%	-	134	134	-	3,945	114	(342)	-	(342)	-	116	355	68
2023	4,091	15	19	4,124	4,091	40	(22)	4,108	7.8%	-	131	131	-	4,239	115	(227)	-	(227)	-	117	238	57
2024	4,417	12	13	4,442	4,417	30	(17)	4,430	7.8%	-	128	128	-	4,558	117	(110)	-	(110)	-	118	120	48
2025	4,769	10	6	4,785	4,769	20	(11)	4,778	7.9%	-	117	117	-	4,895	110	0	8	8	-	120	0	41
	50,115	2,622	432	53,169	50,115	3,333	(3,846)	49,602		336	3,170	3,506	3	53,110	-				894	894		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,458	2,487	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,768		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	130	-	130	1,781
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	0	280	280	-	55	75	1,776
2008	1,030	303	4	1,336	1,030	319	(179)	1,170	4.4%	42	125	167	-	1,336	-	0	345	345	-	75	-	1,716
2009	1,439	315	-	1,754	1,439	333	(488)	1,284	9.8%	42	428	470	-	1,754	-	0	104	104	193	-	193	1,488
2010	1,553	329	10	1,893	1,553	358	(502)	1,409	9.8%	42	285	327	-	1,736	(157)	(157)	-	(157)	210	-	404	1,236
2011	1,677	324	21	2,022	1,677	386	(516)	1,546	9.8%	42	176	218	-	1,764	(258)	(415)	-	(415)	207	-	611	980
2012	1,811	286	32	2,129	1,811	392	(505)	1,697	9.8%	42	171	213	-	1,910	(220)	(634)	-	(634)	173	-	784	749
2013	1,956	228	41	2,225	1,956	360	(453)	1,863	9.8%	42	165	207	-	2,071	(154)	(789)	-	(789)	117	-	901	564
2014	2,112	165	47	2,324	2,112	303	(370)	2,045	9.8%	-	161	161	-	2,206	(118)	(907)	-	(907)	92	-	993	431
2015	2,280	123	52	2,455	2,280	239	(275)	2,244	9.8%	-	157	157	-	2,401	(54)	(961)	-	(961)	34	-	1,027	332
2016	2,463	90	54	2,607	2,463	194	(193)	2,463	9.8%	-	153	153	-	2,616	9	(952)	-	(952)	-	24	1,004	261
2017	2,660	69	53	2,781	2,660	157	(113)	2,704	9.8%	-	149	149	-	2,853	72	(880)	-	(880)	-	83	921	206
2018	2,872	52	48	2,972	2,872	129	(72)	2,929	8.3%	-	146	146	-	3,075	102	(777)	-	(777)	-	111	810	166
2019	3,102	39	43	3,184	3,102	104	(58)	3,148	7.5%	-	143	143	-	3,290	106	(671)	-	(671)	-	113	698	136
2020	3,350	31	37	3,418	3,350	83	(47)	3,387	7.6%	-	140	140	-	3,526	108	(563)	-	(563)	-	113	585	112
2021	3,619	24	31	3,674	3,619	68	(38)	3,649	7.7%	-	137	137	-	3,785	111	(451)	-	(451)	-	115	470	93
2022	3,908	20	25	3,953	3,908	54	(30)	3,932	7.8%	-	134	134	-	4,066	113	(339)	-	(339)	-	116	354	78
2023	4,222	17	19	4,257	4,222	42	(24)	4,240	7.8%	-	131	131	-	4,371	114	(224)	-	(224)	-	117	237	65
2024	4,560	14	12	4,586	4,560	32	(18)	4,574	7.9%	-	128	128	-	4,702	116	(109)	-	(109)	-	118	119	55
2025	4,925	11	6	4,943	4,925	22	(12)	4,935	7.9%	-	116	116	-	5,051	109	0	9	9	-	119	0	46
	51,538	2,949	542	55,029	51,538	3,811	(3,895)	51,454		336	3,177	3,513	3	54,969	-				1,158	1,158		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,553	2,501	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,752		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	172	-	172	1,990
2007	1,009	286	9	1,305	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	50	123	2,015
2008	1,030	337	6	1,373	1,030	322	(181)	1,171	4.4%	42	160	202	-	1,373	-	(0)	312	312	-	45	78	1,950
2009	1,476	353	4	1,832	1,476	375	(552)	1,299	10.9%	42	491	533	-	1,832	-	(0)	9	9	252	-	330	1,695
2010	1,594	373	17	1,985	1,594	407	(560)	1,441	10.9%	42	192	234	-	1,675	(310)	(310)	-	(310)	262	-	592	1,411
2011	1,721	370	31	2,123	1,721	445	(568)	1,598	10.9%	42	177	219	-	1,818	(305)	(615)	-	(615)	247	-	838	1,118
2012	1,859	327	44	2,230	1,859	456	(542)	1,773	10.9%	42	172	214	-	1,987	(243)	(858)	-	(858)	191	-	1,029	854
2013	2,009	260	54	2,323	2,009	419	(460)	1,967	10.9%	42	166	208	-	2,175	(148)	(1,006)	-	(1,006)	106	-	1,135	643
2014	2,170	188	60	2,417	2,170	352	(340)	2,182	10.9%	-	161	161	-	2,343	(74)	(1,080)	-	(1,080)	44	-	1,179	491
2015	2,344	140	62	2,546	2,344	275	(199)	2,420	10.9%	-	157	157	-	2,577	31	(1,049)	-	(1,049)	-	54	1,125	379
2016	2,532	103	59	2,694	2,532	219	(123)	2,628	8.6%	-	153	153	-	2,782	87	(962)	-	(962)	-	104	1,021	297
2017	2,736	78	54	2,868	2,736	172	(97)	2,811	7.0%	-	149	149	-	2,961	93	(869)	-	(869)	-	105	916	235
2018	2,956	59	48	3,063	2,956	139	(78)	3,017	7.3%	-	146	146	-	3,163	100	(769)	-	(769)	-	109	807	188
2019	3,193	44	42	3,280	3,193	111	(63)	3,242	7.5%	-	143	143	-	3,385	105	(664)	-	(664)	-	112	695	154
2020	3,450	35	36	3,522	3,450	89	(50)	3,489	7.6%	-	140	140	-	3,629	107	(557)	-	(557)	-	112	582	127
2021	3,728	28	31	3,786	3,728	72	(41)	3,760	7.7%	-	137	137	-	3,896	110	(447)	-	(447)	-	114	468	106
2022	4,028	23	25	4,075	4,028	57	(32)	4,053	7.8%	-	134	134	-	4,187	112	(335)	-	(335)	-	115	353	89
2023	4,352	19	19	4,390	4,352	45	(25)	4,372	7.9%	-	131	131	-	4,503	113	(222)	-	(222)	-	116	237	74
2024	4,703	16	12	4,731	4,703	35	(20)	4,718	7.9%	-	128	128	-	4,846	115	(107)	-	(107)	-	118	119	62
2025	5,081	13	6	5,100	5,081	24	(14)	5,092	7.9%	-	115	115	-	5,207	107	(0)	10	10	-	119	0	52
	52,961	3,276	619	56,856	52,961	4,252	(3,944)	53,269		336	3,189	3,525	3	56,796	-				1,273	1,273		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 12.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,644	2,512	59	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,730		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	214	-	214	2,199
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	(0)	281	281	-	44	170	2,254
2008	1,030	372	9	1,410	1,030	325	(182)	1,172	4.4%	42	196	238	-	1,410	-	(0)	279	279	-	12	158	2,183
2009	1,512	390	8	1,911	1,512	418	(612)	1,318	12.4%	42	469	511	-	1,829	(81)	(81)	-	(81)	304	-	462	1,902
2010	1,634	417	24	2,076	1,634	455	(608)	1,482	12.4%	42	185	227	-	1,709	(367)	(448)	-	(448)	303	-	765	1,585
2011	1,766	416	40	2,222	1,766	503	(602)	1,666	12.4%	42	179	221	-	1,887	(335)	(784)	-	(784)	269	-	1,035	1,256
2012	1,908	367	54	2,329	1,908	518	(552)	1,874	12.4%	42	173	215	-	2,089	(241)	(1,024)	-	(1,024)	181	-	1,216	960
2013	2,062	293	64	2,418	2,062	474	(428)	2,107	12.4%	42	167	209	-	2,316	(102)	(1,126)	-	(1,126)	54	-	1,270	722
2014	2,228	211	67	2,506	2,228	395	(254)	2,369	12.4%	-	162	162	-	2,531	26	(1,100)	-	(1,100)	-	60	1,211	552
2015	2,408	158	64	2,629	2,408	302	(170)	2,540	7.2%	-	158	158	-	2,698	69	(1,031)	-	(1,031)	-	94	1,116	425
2016	2,602	116	59	2,776	2,602	238	(134)	2,706	6.5%	-	153	153	-	2,860	84	(948)	-	(948)	-	102	1,014	333
2017	2,812	88	53	2,953	2,812	186	(104)	2,894	6.9%	-	150	150	-	3,043	90	(858)	-	(858)	-	104	911	263
2018	3,039	66	48	3,153	3,039	149	(84)	3,105	7.3%	-	146	146	-	3,251	98	(760)	-	(760)	-	108	803	211
2019	3,285	50	42	3,377	3,285	119	(67)	3,337	7.5%	-	143	143	-	3,480	103	(657)	-	(657)	-	111	692	172
2020	3,550	39	36	3,626	3,550	95	(53)	3,592	7.6%	-	140	140	-	3,732	106	(551)	-	(551)	-	112	580	142
2021	3,837	31	30	3,898	3,837	77	(43)	3,871	7.8%	-	137	137	-	4,008	109	(442)	-	(442)	-	114	466	119
2022	4,147	25	24	4,197	4,147	61	(34)	4,174	7.8%	-	134	134	-	4,308	111	(332)	-	(332)	-	115	351	99
2023	4,483	22	18	4,523	4,483	48	(27)	4,504	7.9%	-	131	131	-	4,635	112	(219)	-	(219)	-	116	236	83
2024	4,845	18	12	4,876	4,845	37	(21)	4,862	7.9%	-	128	128	-	4,990	114	(105)	-	(105)	-	117	119	69
2025	5,237	14	6	5,258	5,237	27	(15)	5,249	8.0%	-	114	114	-	5,363	105	(0)	12	12	-	119	0	59
	54,384	3,602	671	58,657	54,384	4,665	(3,991)	55,058		336	3,201	3,537	3	58,598	-				1,327	1,327		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,201	2,448	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,737		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	43	-	43	1,344
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	43	-	1,362
2008	1,088	235	-	1,322	1,088	256	(144)	1,200	7.3%	42	80	122	-	1,322	-	(0)	441	441	-	-	-	1,341
2009	1,170	242	-	1,412	1,170	258	(145)	1,283	6.9%	42	87	129	-	1,412	-	(0)	545	545	-	-	-	1,305
2010	1,376	251	-	1,626	1,376	266	(254)	1,388	8.2%	42	196	238	-	1,626	-	(0)	540	540	-	-	-	1,188
2011	1,482	254	-	1,737	1,482	276	(256)	1,502	8.2%	42	193	235	-	1,737	-	(0)	534	534	-	-	-	1,050
2012	1,714	247	-	1,961	1,714	280	(369)	1,624	8.2%	42	295	337	-	1,961	-	(0)	423	423	-	-	-	859
2013	1,849	227	-	2,076	1,849	272	(364)	1,757	8.2%	42	277	319	-	2,076	-	(0)	323	323	-	-	-	679
2014	1,996	195	-	2,190	1,996	250	(344)	1,901	8.2%	-	289	289	-	2,190	-	(0)	203	203	-	-	-	523
2015	2,153	156	-	2,309	2,153	214	(311)	2,056	8.2%	-	253	253	-	2,309	-	(0)	111	111	-	-	-	397
2016	2,323	119	-	2,443	2,323	171	(270)	2,224	8.2%	-	218	218	-	2,443	-	(0)	47	47	13	-	13	300
2017	2,507	87	1	2,595	2,507	132	(233)	2,406	8.2%	-	188	188	-	2,595	-	(0)	9	9	25	-	37	230
2018	2,706	64	2	2,772	2,706	98	(200)	2,603	8.2%	-	155	155	-	2,758	(14)	(14)	-	(14)	12	-	50	179
2019	2,920	47	3	2,969	2,920	73	(177)	2,816	8.2%	-	143	143	-	2,959	(11)	(25)	-	(25)	3	-	53	142
2020	3,151	36	3	3,190	3,151	55	(159)	3,046	8.2%	-	140	140	-	3,186	(4)	(28)	-	(28)	-	2	51	114
2021	3,400	28	3	3,431	3,400	42	(148)	3,295	8.2%	-	137	137	-	3,432	1	(27)	-	(27)	-	5	46	92
2022	3,670	21	2	3,693	3,670	33	(138)	3,565	8.2%	-	134	134	-	3,698	5	(22)	-	(22)	-	8	37	76
2023	3,960	17	2	3,979	3,960	26	(130)	3,856	8.2%	-	131	131	-	3,987	8	(15)	-	(15)	-	10	27	63
2024	4,274	13	1	4,289	4,274	20	(123)	4,171	8.2%	-	128	128	-	4,299	10	(4)	-	(4)	-	12	15	53
2025	4,613	11	1	4,625	4,613	16	(116)	4,512	8.2%	-	117	117	-	4,629	4	(0)	9	9	-	15	-	44
	48,352	2,705	20	51,076	48,352	2,971	(3,883)	47,440		336	3,239	3,575	3	51,017	-				96	96		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,313	2,460	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,730		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	86	-	86	1,559
2007	1,009	267	5	1,280	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	69	17	1,579
2008	1,096	269	1	1,365	1,096	294	(177)	1,213	8.4%	42	110	152	-	1,365	-	(0)	378	378	-	17	-	1,557
2009	1,179	278	-	1,457	1,179	296	(166)	1,309	7.9%	42	107	149	-	1,457	-	(0)	459	459	-	-	-	1,514
2010	1,402	291	-	1,694	1,402	306	(290)	1,419	8.4%	42	232	274	-	1,694	-	(0)	414	414	-	-	-	1,378
2011	1,511	297	-	1,808	1,511	320	(293)	1,539	8.4%	42	227	269	-	1,808	-	(0)	370	370	-	-	-	1,215
2012	1,763	287	-	2,050	1,763	326	(420)	1,669	8.4%	42	339	381	-	2,050	-	(0)	208	208	-	-	-	993
2013	1,903	263	-	2,165	1,903	316	(409)	1,810	8.4%	42	314	356	-	2,165	-	(0)	62	62	95	-	95	785
2014	2,054	225	5	2,283	2,054	295	(386)	1,962	8.4%	-	225	225	-	2,187	(96)	(96)	-	(96)	122	-	217	604
2015	2,217	180	11	2,408	2,217	260	(349)	2,128	8.4%	-	158	158	-	2,286	(122)	(219)	-	(219)	93	-	310	458
2016	2,393	138	16	2,547	2,393	216	(302)	2,308	8.4%	-	154	154	-	2,461	(86)	(305)	-	(305)	64	-	374	346
2017	2,583	100	20	2,703	2,583	173	(254)	2,502	8.4%	-	150	150	-	2,652	(51)	(356)	-	(356)	35	-	409	266
2018	2,789	74	21	2,885	2,789	134	(209)	2,713	8.4%	-	146	146	-	2,860	(25)	(381)	-	(381)	13	-	422	207
2019	3,011	54	22	3,087	3,011	106	(175)	2,942	8.4%	-	143	143	-	3,085	(2)	(382)	-	(382)	-	7	415	164
2020	3,251	41	22	3,314	3,251	84	(143)	3,191	8.4%	-	140	140	-	3,331	17	(366)	-	(366)	-	23	392	131
2021	3,510	32	21	3,562	3,510	68	(118)	3,460	8.4%	-	137	137	-	3,597	35	(331)	-	(331)	-	40	352	107
2022	3,789	25	18	3,832	3,789	55	(92)	3,752	8.4%	-	134	134	-	3,886	54	(277)	-	(277)	-	57	295	88
2023	4,091	20	15	4,126	4,091	44	(66)	4,069	8.4%	-	131	131	-	4,200	74	(203)	-	(203)	-	77	218	73
2024	4,417	16	11	4,444	4,417	34	(39)	4,412	8.4%	-	128	128	-	4,540	96	(107)	-	(107)	-	99	119	61
2025	4,769	13	6	4,788	4,769	24	(13)	4,780	8.3%	-	115	115	-	4,895	107	0	10	10	-	119	-	51
	49,726	3,091	195	53,012	49,726	3,585	(3,900)	49,411		336	3,203	3,539	3	52,953	-				508	508		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,423	2,479	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,731		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	128	-	128	1,771
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	47	82	1,808
2008	1,104	303	4	1,411	1,104	320	(204)	1,219	8.9%	42	150	192	-	1,411	-	(0)	321	321	-	46	36	1,783
2009	1,188	315	2	1,505	1,188	335	(196)	1,328	8.9%	42	136	178	-	1,505	-	(0)	372	372	-	36	-	1,734
2010	1,429	334	-	1,762	1,429	347	(330)	1,445	8.9%	42	275	317	-	1,762	-	(0)	282	282	34	-	34	1,576
2011	1,541	342	2	1,884	1,541	369	(336)	1,574	8.9%	42	268	310	-	1,884	-	(0)	192	192	52	-	85	1,387
2012	1,811	329	4	2,144	1,811	381	(478)	1,713	8.9%	42	366	408	-	2,121	(23)	(23)	-	(23)	164	-	250	1,133
2013	1,956	301	13	2,269	1,956	376	(466)	1,865	8.9%	42	169	211	-	2,076	(194)	(217)	-	(217)	146	-	396	894
2014	2,112	256	21	2,389	2,112	354	(435)	2,031	8.9%	-	163	163	-	2,194	(195)	(411)	-	(411)	153	-	549	688
2015	2,280	206	29	2,515	2,280	314	(383)	2,211	8.9%	-	159	159	-	2,370	(145)	(556)	-	(556)	112	-	661	522
2016	2,463	157	35	2,654	2,463	264	(320)	2,407	8.9%	-	154	154	-	2,561	(93)	(649)	-	(649)	67	-	728	395
2017	2,660	114	38	2,812	2,660	215	(254)	2,621	8.9%	-	150	150	-	2,771	(41)	(690)	-	(690)	22	-	751	303
2018	2,872	85	39	2,997	2,872	168	(188)	2,853	8.9%	-	147	147	-	3,000	3	(687)	-	(687)	-	17	734	235
2019	3,102	62	39	3,202	3,102	136	(131)	3,106	8.9%	-	143	143	-	3,250	47	(640)	-	(640)	-	57	677	187
2020	3,350	47	36	3,433	3,350	107	(75)	3,382	8.9%	-	140	140	-	3,522	89	(551)	-	(551)	-	96	581	150
2021	3,619	36	30	3,685	3,619	85	(48)	3,656	8.1%	-	137	137	-	3,793	108	(443)	-	(443)	-	113	467	122
2022	3,908	28	25	3,961	3,908	67	(37)	3,938	7.7%	-	134	134	-	4,072	111	(332)	-	(332)	-	115	352	100
2023	4,222	22	19	4,263	4,222	51	(29)	4,244	7.8%	-	131	131	-	4,375	113	(220)	-	(220)	-	116	236	83
2024	4,560	18	12	4,590	4,560	38	(22)	4,577	7.8%	-	128	128	-	4,705	115	(105)	-	(105)	-	118	119	69
2025	4,925	14	6	4,946	4,925	26	(15)	4,937	7.9%	-	114	114	-	5,051	105	0	12	12	-	119	-	58
	51,100	3,476	360	54,937	51,100	4,188	(3,946)	51,342		336	3,198	3,534	3	54,878	-				879	879		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,522	2,501	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,728		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	170	-	170	1,979
2007	1,009	286	9	1,304	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	40	130	2,050
2008	1,112	337	7	1,456	1,112	322	(207)	1,228	9.5%	42	186	228	-	1,456	-	(0)	287	287	-	12	118	2,024
2009	1,197	353	6	1,556	1,197	378	(230)	1,345	9.5%	42	169	211	-	1,556	-	(0)	307	307	-	31	87	1,969
2010	1,456	378	5	1,838	1,456	393	(375)	1,473	9.5%	42	323	365	-	1,838	-	(0)	169	169	101	-	188	1,788
2011	1,570	390	10	1,969	1,570	427	(382)	1,614	9.5%	42	313	355	-	1,969	-	(0)	36	36	89	-	278	1,570
2012	1,859	374	15	2,248	1,859	445	(537)	1,768	9.5%	42	211	253	-	2,021	(227)	(227)	-	(227)	205	-	483	1,280
2013	2,009	341	25	2,375	2,009	439	(511)	1,936	9.5%	42	170	212	-	2,148	(227)	(454)	-	(454)	173	-	656	1,010
2014	2,170	289	34	2,494	2,170	413	(462)	2,121	9.5%	-	164	164	-	2,285	(208)	(662)	-	(662)	162	-	817	777
2015	2,344	232	43	2,619	2,344	365	(386)	2,323	9.5%	-	159	159	-	2,482	(137)	(799)	-	(799)	99	-	917	589
2016	2,532	177	48	2,758	2,532	308	(296)	2,545	9.5%	-	155	155	-	2,699	(58)	(857)	-	(857)	29	-	946	446
2017	2,736	128	50	2,914	2,736	249	(198)	2,787	9.5%	-	151	151	-	2,938	24	(833)	-	(833)	-	45	901	343
2018	2,956	96	47	3,099	2,956	193	(108)	3,040	9.1%	-	147	147	-	3,187	88	(744)	-	(744)	-	104	797	266
2019	3,193	70	42	3,305	3,193	152	(85)	3,260	7.2%	-	143	143	-	3,403	98	(646)	-	(646)	-	109	688	211
2020	3,450	53	36	3,539	3,450	116	(65)	3,501	7.4%	-	140	140	-	3,641	102	(544)	-	(544)	-	110	578	169
2021	3,728	41	30	3,799	3,728	92	(51)	3,768	7.6%	-	137	137	-	3,905	106	(438)	-	(438)	-	112	465	138
2022	4,028	32	24	4,084	4,028	72	(40)	4,059	7.7%	-	134	134	-	4,193	109	(328)	-	(328)	-	114	351	113
2023	4,352	26	18	4,396	4,352	55	(31)	4,376	7.8%	-	131	131	-	4,508	111	(217)	-	(217)	-	115	236	94
2024	4,703	20	12	4,735	4,703	42	(23)	4,721	7.9%	-	128	128	-	4,849	114	(103)	-	(103)	-	117	118	78
2025	5,081	16	6	5,104	5,081	29	(16)	5,094	7.9%	-	113	113	-	5,207	103	0	13	13	-	118	-	66
	52,475	3,861	469	56,804	52,475	4,726	(4,005)	53,196		336	3,211	3,547	3	56,745	-				1,029	1,029		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,615	2,520	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,716		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	212	-	212	2,187
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	(0)	281	281	-	34	178	2,293
2008	1,121	371	9	1,501	1,121	325	(207)	1,238	10.3%	42	221	263	-	1,501	-	(0)	254	254	21	-	198	2,264
2009	1,206	390	10	1,607	1,206	420	(260)	1,366	10.3%	42	198	240	-	1,607	-	(0)	247	247	-	5	194	2,204
2010	1,482	422	10	1,914	1,482	440	(415)	1,508	10.3%	42	365	407	-	1,914	-	(0)	69	69	137	-	331	2,000
2011	1,599	438	17	2,054	1,599	483	(418)	1,664	10.3%	42	252	294	-	1,957	(97)	(97)	-	(97)	117	-	447	1,753
2012	1,908	419	23	2,350	1,908	508	(579)	1,836	10.3%	42	177	219	-	2,055	(295)	(392)	-	(392)	230	-	678	1,428
2013	2,062	381	36	2,478	2,062	500	(535)	2,026	10.3%	42	171	213	-	2,239	(240)	(631)	-	(631)	179	-	857	1,126
2014	2,228	323	45	2,596	2,228	469	(461)	2,236	10.3%	-	165	165	-	2,401	(195)	(826)	-	(826)	143	-	999	866
2015	2,408	259	52	2,719	2,408	413	(353)	2,467	10.3%	-	160	160	-	2,627	(92)	(918)	-	(918)	50	-	1,049	657
2016	2,602	197	55	2,854	2,602	346	(225)	2,722	10.3%	-	155	155	-	2,878	23	(894)	-	(894)	-	55	994	497
2017	2,812	143	52	3,007	2,812	274	(154)	2,932	7.7%	-	151	151	-	3,083	77	(818)	-	(818)	-	100	894	382
2018	3,039	107	47	3,193	3,039	209	(117)	3,131	6.8%	-	147	147	-	3,278	85	(733)	-	(733)	-	102	792	296
2019	3,285	78	42	3,404	3,285	164	(92)	3,356	7.2%	-	144	144	-	3,500	96	(637)	-	(637)	-	108	684	235
2020	3,550	59	36	3,645	3,550	125	(70)	3,605	7.4%	-	140	140	-	3,745	100	(537)	-	(537)	-	110	575	189
2021	3,837	45	30	3,912	3,837	98	(55)	3,880	7.6%	-	137	137	-	4,017	105	(432)	-	(432)	-	112	463	154
2022	4,147	35	24	4,207	4,147	76	(43)	4,181	7.8%	-	134	134	-	4,315	108	(324)	-	(324)	-	113	349	126
2023	4,483	29	18	4,530	4,483	59	(33)	4,509	7.8%	-	131	131	-	4,640	110	(214)	-	(214)	-	115	235	104
2024	4,845	23	12	4,880	4,845	45	(25)	4,865	7.9%	-	129	129	-	4,994	113	(101)	-	(101)	-	117	118	87
2025	5,237	18	6	5,262	5,237	32	(18)	5,251	7.9%	-	111	111	-	5,362	101	(0)	15	15	-	118	-	73
	53,849	4,246	538	58,633	53,849	5,222	(4,061)	55,010		336	3,225	3,561	3	58,574	-				1,088	1,088		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,201	2,444	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,730		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	39	-	39	1,325
2007	1,009	233	2	1,244	1,009	108	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	(212)	1,207	8.0%	42	147	189	-	1,396	-	(0)	374	374	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	(206)	1,303	8.0%	42	145	187	-	1,491	-	(0)	417	417	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	(204)	1,407	8.0%	42	140	182	-	1,589	-	(0)	463	463	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	(333)	1,520	8.0%	42	261	303	-	1,823	-	(0)	387	387	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	(330)	1,641	8.0%	42	247	289	-	1,930	-	(0)	318	318	-	-	-	678
2013	1,849	188	-	2,037	1,849	237	(315)	1,772	8.0%	42	223	265	-	2,037	-	(0)	267	267	-	-	-	527
2014	1,996	155	-	2,151	1,996	207	(288)	1,914	8.0%	-	237	237	-	2,151	-	(0)	197	197	-	-	-	402
2015	2,153	119	-	2,272	2,153	171	(258)	2,067	8.0%	-	206	206	-	2,272	-	(0)	153	153	-	-	-	306
2016	2,323	88	-	2,411	2,323	131	(223)	2,232	8.0%	-	180	180	-	2,411	-	(0)	129	129	-	-	-	235
2017	2,507	65	-	2,572	2,507	96	(194)	2,410	8.0%	-	163	163	-	2,572	-	(0)	119	119	-	-	-	183
2018	2,706	48	-	2,754	2,706	72	(175)	2,602	8.0%	-	151	151	-	2,754	-	(0)	116	116	-	-	-	145
2019	2,920	37	-	2,956	2,920	53	(163)	2,810	8.0%	-	146	146	-	2,956	-	(0)	116	116	-	-	-	117
2020	3,151	28	-	3,179	3,151	40	(157)	3,034	8.0%	-	144	144	-	3,179	-	(0)	114	114	-	-	-	95
2021	3,400	22	-	3,422	3,400	31	(154)	3,276	8.0%	-	146	146	-	3,422	-	(0)	109	109	-	-	-	78
2022	3,670	18	-	3,688	3,670	24	(156)	3,538	8.0%	-	149	149	-	3,688	-	(0)	97	97	-	-	-	65
2023	3,960	14	-	3,974	3,960	20	(159)	3,821	8.0%	-	154	154	-	3,974	-	(0)	77	77	-	-	-	54
2024	4,274	11	-	4,285	4,274	15	(164)	4,126	8.0%	-	160	160	-	4,285	-	(0)	48	48	-	-	-	46
2025	4,613	9	-	4,622	4,613	12	(170)	4,455	8.0%	-	167	167	-	4,622	-	(0)	8	8	-	-	-	39
	48,588	2,419	2	51,010	48,588	2,639	(3,861)	47,367		336	3,245	3,581	3	50,950	-				39	39		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,319	2,464	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,737		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	82	-	82	1,537
2007	1,009	267	4	1,280	1,009	109	-	1,119	0.4%	42	113	155	0	1,275	(6)	0	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	(263)	1,213	8.4%	42	195	237	-	1,450	-	0	292	292	-	6	-	1,442
2009	1,273	274	-	1,547	1,273	294	(253)	1,314	8.4%	42	191	233	-	1,547	-	0	286	286	-	-	-	1,331
2010	1,371	279	-	1,651	1,371	302	(248)	1,425	8.4%	42	184	226	-	1,651	-	0	283	283	-	-	-	1,193
2011	1,633	273	-	1,906	1,633	307	(396)	1,544	8.4%	42	320	362	-	1,906	-	0	140	140	56	-	56	983
2012	1,763	251	3	2,016	1,763	304	(393)	1,674	8.4%	42	301	343	-	2,016	-	0	10	10	91	-	147	786
2013	1,903	218	8	2,128	1,903	285	(373)	1,814	8.4%	42	176	218	-	2,032	(96)	(96)	-	(96)	72	-	219	611
2014	2,054	180	11	2,245	2,054	253	(340)	1,966	8.4%	-	161	161	-	2,128	(117)	(214)	-	(214)	88	-	307	466
2015	2,217	138	16	2,371	2,217	216	(301)	2,131	8.4%	-	157	157	-	2,288	(83)	(297)	-	(297)	61	-	368	354
2016	2,393	102	19	2,514	2,393	173	(256)	2,310	8.4%	-	153	153	-	2,463	(51)	(348)	-	(348)	35	-	402	273
2017	2,583	75	21	2,680	2,583	135	(214)	2,504	8.4%	-	149	149	-	2,653	(27)	(374)	-	(374)	15	-	417	213
2018	2,789	56	22	2,867	2,789	107	(182)	2,714	8.4%	-	146	146	-	2,860	(7)	(381)	-	(381)	-	2	415	168
2019	3,011	42	22	3,075	3,011	85	(155)	2,942	8.4%	-	143	143	-	3,084	9	(372)	-	(372)	-	16	399	135
2020	3,251	32	21	3,304	3,251	70	(132)	3,188	8.4%	-	140	140	-	3,328	24	(348)	-	(348)	-	29	370	110
2021	3,510	25	19	3,554	3,510	57	(110)	3,456	8.4%	-	137	137	-	3,592	38	(310)	-	(310)	-	42	328	91
2022	3,789	21	17	3,827	3,789	47	(90)	3,746	8.4%	-	134	134	-	3,879	52	(258)	-	(258)	-	56	272	75
2023	4,091	16	14	4,122	4,091	38	(69)	4,060	8.4%	-	131	131	-	4,191	69	(188)	-	(188)	-	72	201	63
2024	4,417	13	11	4,441	4,417	29	(46)	4,401	8.4%	-	128	128	-	4,529	88	(100)	-	(100)	-	90	111	53
2025	4,769	11	6	4,786	4,769	21	(21)	4,769	8.4%	-	117	117	-	4,886	100	(0)	9	9	-	111	-	45
	49,996	2,764	215	52,976	49,996	3,250	(3,842)	49,404		336	3,174	3,510	3	52,916	-				499	499		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,432	2,488	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,745		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	123	-	123	1,746
2007	1,009	286	6	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,296	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	(299)	1,220	9.0%	42	243	285	-	1,506	-	(0)	227	227	35	-	104	1,653
2009	1,294	311	5	1,610	1,294	338	(301)	1,330	9.0%	42	238	280	-	1,610	-	(0)	175	175	27	-	131	1,528
2010	1,394	320	7	1,721	1,394	349	(294)	1,450	9.0%	42	230	272	-	1,721	-	(0)	127	127	16	-	147	1,369
2011	1,677	315	8	2,000	1,677	361	(458)	1,580	9.0%	42	304	346	-	1,925	(75)	(75)	-	(75)	153	-	300	1,126
2012	1,811	288	16	2,115	1,811	364	(453)	1,722	9.0%	42	172	214	-	1,935	(180)	(254)	-	(254)	134	-	434	899
2013	1,956	250	23	2,229	1,956	342	(421)	1,876	9.0%	42	167	209	-	2,085	(144)	(398)	-	(398)	104	-	538	699
2014	2,112	206	28	2,345	2,112	306	(374)	2,045	9.0%	-	162	162	-	2,207	(139)	(537)	-	(537)	106	-	644	533
2015	2,280	158	34	2,472	2,280	263	(315)	2,228	9.0%	-	157	157	-	2,386	(87)	(624)	-	(624)	61	-	705	405
2016	2,463	116	37	2,616	2,463	215	(249)	2,428	9.0%	-	153	153	-	2,582	(34)	(658)	-	(658)	15	-	721	312
2017	2,660	86	38	2,783	2,660	169	(182)	2,646	9.0%	-	150	150	-	2,796	13	(646)	-	(646)	-	26	694	243
2018	2,872	64	36	2,973	2,872	135	(135)	2,872	8.5%	-	146	146	-	3,018	46	(600)	-	(600)	-	56	638	193
2019	3,102	49	34	3,184	3,102	107	(107)	3,102	8.0%	-	143	143	-	3,245	61	(539)	-	(539)	-	68	570	154
2020	3,350	37	30	3,417	3,350	86	(86)	3,350	8.0%	-	140	140	-	3,490	73	(466)	-	(466)	-	79	491	126
2021	3,619	29	26	3,673	3,619	69	(69)	3,619	8.0%	-	137	137	-	3,755	82	(384)	-	(384)	-	86	405	104
2022	3,908	24	21	3,953	3,908	55	(55)	3,908	8.0%	-	134	134	-	4,042	89	(295)	-	(295)	-	93	312	86
2023	4,222	19	16	4,257	4,222	44	(44)	4,222	8.0%	-	131	131	-	4,353	96	(199)	-	(199)	-	99	214	71
2024	4,560	15	11	4,586	4,560	33	(33)	4,560	8.0%	-	128	128	-	4,688	102	(97)	-	(97)	-	104	109	60
2025	4,925	12	6	4,943	4,925	23	(23)	4,925	8.0%	-	115	115	-	5,041	97	(0)	10	10	-	109	-	51
	51,405	3,109	386	54,899	51,405	3,814	(3,900)	51,318		336	3,183	3,519	3	54,840	-				775	775		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,519	2,505	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,725		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	164	-	164	1,951
2007	1,009	286	9	1,304	1,009	112	-	1,121	0.6%	42	135	177	0	1,298	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	(306)	1,236	10.2%	42	284	326	-	1,562	-	(0)	188	188	72	-	188	1,880
2009	1,315	348	10	1,672	1,315	380	(333)	1,362	10.2%	42	268	310	-	1,672	-	(0)	108	108	52	-	240	1,740
2010	1,417	363	13	1,793	1,417	396	(312)	1,501	10.2%	42	250	292	-	1,793	-	(0)	42	42	30	-	270	1,557
2011	1,721	360	14	2,096	1,721	415	(482)	1,654	10.2%	42	220	262	-	1,916	(180)	(180)	-	(180)	166	-	436	1,280
2012	1,859	328	23	2,211	1,859	422	(458)	1,824	10.2%	42	173	215	-	2,039	(172)	(352)	-	(352)	121	-	556	1,021
2013	2,009	285	29	2,323	2,009	393	(393)	2,009	10.1%	42	168	210	-	2,218	(105)	(456)	-	(456)	59	-	615	793
2014	2,170	233	32	2,435	2,170	349	(349)	2,170	8.0%	-	163	163	-	2,332	(103)	(559)	-	(559)	65	-	680	605
2015	2,344	180	36	2,559	2,344	296	(296)	2,344	8.0%	-	158	158	-	2,502	(57)	(616)	-	(616)	28	-	708	459
2016	2,532	132	37	2,701	2,532	239	(239)	2,532	8.0%	-	154	154	-	2,686	(15)	(632)	-	(632)	-	6	702	354
2017	2,736	97	37	2,870	2,736	185	(185)	2,736	8.0%	-	150	150	-	2,886	16	(616)	-	(616)	-	31	671	276
2018	2,956	73	35	3,064	2,956	146	(146)	2,956	8.0%	-	146	146	-	3,102	38	(578)	-	(578)	-	50	621	218
2019	3,193	55	33	3,281	3,193	116	(116)	3,193	8.0%	-	143	143	-	3,336	55	(522)	-	(522)	-	64	557	175
2020	3,450	41	29	3,521	3,450	93	(93)	3,450	8.0%	-	140	140	-	3,590	69	(453)	-	(453)	-	76	482	143
2021	3,728	33	25	3,786	3,728	73	(73)	3,728	8.0%	-	137	137	-	3,865	79	(374)	-	(374)	-	84	398	118
2022	4,028	27	21	4,076	4,028	59	(59)	4,028	8.0%	-	134	134	-	4,162	86	(288)	-	(288)	-	90	308	97
2023	4,352	21	16	4,390	4,352	47	(47)	4,352	8.1%	-	131	131	-	4,483	94	(195)	-	(195)	-	97	211	81
2024	4,703	17	11	4,731	4,703	36	(36)	4,703	8.1%	-	128	128	-	4,831	100	(94)	-	(94)	-	103	108	68
2025	5,081	14	6	5,101	5,081	25	(25)	5,081	8.1%	-	114	114	-	5,195	94	(0)	12	12	-	108	-	58
	52,813	3,453	422	56,687	52,813	4,228	(3,947)	53,094		336	3,196	3,532	3	56,628	-				757	757		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 14.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,598	2,512	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,686		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	206	-	206	2,156
2007	1,009	286	11	1,306	1,009	113	-	1,122	0.7%	42	136	178	0	1,301	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	(284)	1,279	14.0%	42	296	338	-	1,617	-	0	179	179	80	-	243	2,106
2009	1,335	385	13	1,733	1,335	421	(298)	1,458	14.0%	42	232	274	-	1,733	-	0	136	136	12	-	254	1,952
2010	1,440	406	13	1,859	1,440	438	(246)	1,632	11.9%	42	185	227	-	1,859	-	0	136	136	-	41	214	1,746
2011	1,766	406	11	2,183	1,766	459	(459)	1,766	8.2%	42	316	358	-	2,123	(59)	(59)	-	(59)	132	-	346	1,434
2012	1,908	369	18	2,295	1,908	466	(466)	1,908	8.1%	42	174	216	-	2,124	(171)	(230)	-	(230)	113	-	459	1,143
2013	2,062	320	24	2,405	2,062	432	(432)	2,062	8.1%	42	169	211	-	2,272	(133)	(363)	-	(363)	82	-	541	887
2014	2,228	261	28	2,517	2,228	383	(383)	2,228	8.1%	-	163	163	-	2,391	(126)	(489)	-	(489)	84	-	624	677
2015	2,408	201	33	2,642	2,408	323	(323)	2,408	8.1%	-	159	159	-	2,566	(75)	(564)	-	(564)	43	-	667	514
2016	2,602	147	35	2,784	2,602	260	(260)	2,602	8.1%	-	154	154	-	2,756	(28)	(592)	-	(592)	5	-	672	395
2017	2,812	109	35	2,956	2,812	201	(201)	2,812	8.1%	-	150	150	-	2,962	6	(586)	-	(586)	-	24	648	309
2018	3,039	82	34	3,155	3,039	157	(157)	3,039	8.1%	-	147	147	-	3,186	31	(555)	-	(555)	-	44	604	244
2019	3,285	62	32	3,378	3,285	125	(125)	3,285	8.1%	-	143	143	-	3,428	50	(506)	-	(506)	-	59	545	195
2020	3,550	46	29	3,625	3,550	99	(99)	3,550	8.1%	-	140	140	-	3,690	65	(440)	-	(440)	-	72	472	160
2021	3,837	36	25	3,898	3,837	78	(78)	3,837	8.1%	-	137	137	-	3,974	76	(365)	-	(365)	-	81	391	132
2022	4,147	30	21	4,198	4,147	63	(63)	4,147	8.1%	-	134	134	-	4,281	84	(281)	-	(281)	-	88	303	109
2023	4,483	24	16	4,523	4,483	50	(50)	4,483	8.1%	-	131	131	-	4,614	91	(190)	-	(190)	-	95	208	91
2024	4,845	19	11	4,876	4,845	38	(38)	4,845	8.1%	-	128	128	-	4,974	98	(92)	-	(92)	-	101	107	76
2025	5,237	16	6	5,259	5,237	27	(27)	5,237	8.1%	-	113	113	-	5,350	92	(0)	13	13	-	107	-	64
	54,221	3,797	402	58,420	54,221	4,582	(3,989)	54,814		336	3,208	3,544	3	58,361	-				756	756		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,221	2,457	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,771		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	46	-	46	1,360
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	46	-	1,401
2008	1,030	236	-	1,265	1,030	256	(144)	1,142	2.1%	42	81	123	-	1,265	-	(0)	440	440	-	-	-	1,429
2009	1,107	245	-	1,352	1,107	259	(145)	1,220	6.9%	42	90	132	-	1,352	-	(0)	541	541	-	-	-	1,440
2010	1,349	259	-	1,608	1,349	270	(290)	1,329	8.9%	42	237	279	-	1,608	-	(0)	496	496	-	-	-	1,370
2011	1,453	272	-	1,724	1,453	285	(291)	1,447	8.9%	42	235	277	-	1,724	-	(0)	446	446	-	-	-	1,264
2012	1,565	276	-	1,841	1,565	299	(288)	1,576	8.9%	42	223	265	-	1,841	-	(0)	403	403	-	-	-	1,131
2013	1,849	266	-	2,115	1,849	303	(437)	1,716	8.9%	42	358	400	-	2,115	-	(0)	221	221	-	-	-	926
2014	1,996	241	-	2,237	1,996	292	(420)	1,868	8.9%	-	369	369	-	2,237	-	(0)	18	18	129	-	129	735
2015	2,153	207	7	2,368	2,153	273	(392)	2,034	8.9%	-	177	177	-	2,211	(157)	(157)	-	(157)	141	-	270	569
2016	2,323	172	14	2,510	2,323	244	(353)	2,215	8.9%	-	155	155	-	2,369	(141)	(297)	-	(297)	113	-	383	429
2017	2,507	132	20	2,659	2,507	211	(307)	2,411	8.9%	-	151	151	-	2,562	(97)	(394)	-	(394)	76	-	459	322
2018	2,706	95	24	2,825	2,706	172	(251)	2,626	8.9%	-	147	147	-	2,772	(53)	(447)	-	(447)	37	-	496	245
2019	2,920	69	26	3,015	2,920	133	(194)	2,859	8.9%	-	143	143	-	3,002	(13)	(460)	-	(460)	2	-	498	189
2020	3,151	51	26	3,228	3,151	105	(143)	3,113	8.9%	-	140	140	-	3,253	25	(434)	-	(434)	-	33	464	149
2021	3,400	39	24	3,464	3,400	83	(93)	3,390	8.9%	-	137	137	-	3,527	63	(372)	-	(372)	-	69	395	118
2022	3,670	29	21	3,719	3,670	66	(66)	3,670	8.3%	-	134	134	-	3,804	84	(288)	-	(288)	-	89	307	95
2023	3,960	22	16	3,999	3,960	50	(50)	3,960	7.9%	-	131	131	-	4,091	93	(195)	-	(195)	-	96	210	78
2024	4,274	18	11	4,303	4,274	37	(37)	4,274	7.9%	-	128	128	-	4,403	99	(95)	-	(95)	-	102	108	65
2025	4,613	14	6	4,633	4,613	26	(26)	4,613	7.9%	-	115	115	-	4,728	95	0	11	11	-	108	0	54
	48,024	3,098	198	51,320	48,024	3,596	(3,926)	47,695		336	3,228	3,564	3	51,261	-				544	544		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,318	2,468	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,748		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	90	-	90	1,577
2007	1,009	267	5	1,281	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	63	26	1,625
2008	1,030	270	1	1,300	1,030	295	(165)	1,159	3.6%	42	100	142	-	1,300	-	(0)	389	389	-	26	-	1,657
2009	1,107	282	-	1,389	1,107	296	(166)	1,237	6.7%	42	110	152	-	1,389	-	(0)	467	467	-	-	-	1,669
2010	1,371	301	-	1,672	1,371	310	(326)	1,356	9.6%	42	274	316	-	1,672	-	(0)	381	381	-	-	-	1,586
2011	1,478	317	-	1,794	1,478	331	(322)	1,486	9.6%	42	266	308	-	1,794	-	(0)	296	296	-	-	-	1,460
2012	1,592	320	-	1,911	1,592	348	(311)	1,629	9.6%	42	240	282	-	1,911	-	(0)	230	230	31	-	31	1,304
2013	1,903	307	2	2,212	1,903	353	(470)	1,786	9.6%	42	384	426	-	2,212	-	(0)	16	16	166	-	197	1,066
2014	2,054	278	10	2,342	2,054	349	(446)	1,957	9.6%	-	181	181	-	2,138	(203)	(203)	-	(203)	176	-	373	847
2015	2,217	239	20	2,476	2,217	327	(398)	2,146	9.6%	-	160	160	-	2,305	(170)	(373)	-	(373)	132	-	504	655
2016	2,393	198	26	2,618	2,393	292	(334)	2,352	9.6%	-	155	155	-	2,507	(110)	(484)	-	(484)	78	-	583	494
2017	2,583	152	31	2,766	2,583	252	(257)	2,578	9.6%	-	151	151	-	2,729	(37)	(521)	-	(521)	12	-	595	371
2018	2,789	110	31	2,930	2,789	201	(201)	2,789	8.2%	-	147	147	-	2,936	6	(515)	-	(515)	-	24	571	282
2019	3,011	80	30	3,121	3,011	154	(154)	3,011	8.0%	-	144	144	-	3,154	34	(481)	-	(481)	-	47	524	218
2020	3,251	59	28	3,337	3,251	118	(118)	3,251	8.0%	-	140	140	-	3,391	54	(427)	-	(427)	-	63	461	172
2021	3,510	45	24	3,579	3,510	91	(91)	3,510	8.0%	-	137	137	-	3,647	68	(359)	-	(359)	-	75	386	136
2022	3,789	33	20	3,843	3,789	72	(72)	3,789	8.0%	-	134	134	-	3,923	80	(278)	-	(278)	-	86	300	110
2023	4,091	26	16	4,132	4,091	54	(54)	4,091	8.0%	-	131	131	-	4,222	90	(189)	-	(189)	-	94	207	90
2024	4,417	21	11	4,448	4,417	40	(40)	4,417	8.0%	-	128	128	-	4,545	97	(92)	-	(92)	-	100	107	75
2025	4,769	16	6	4,791	4,769	29	(29)	4,769	8.0%	-	113	113	-	4,882	92	0	13	13	-	107	0	63
	49,352	3,540	260	53,152	49,352	4,147	(3,954)	49,545		336	3,210	3,546	3	53,093	-				684	684		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 11.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,406	2,486	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,728		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	132	-	132	1,791
2007	1,009	286	7	1,303	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	40	92	1,859
2008	1,030	304	5	1,338	1,030	320	(180)	1,170	4.5%	42	126	168	-	1,338	-	(0)	345	345	-	58	34	1,896
2009	1,107	319	2	1,428	1,107	336	(189)	1,254	7.2%	42	131	173	-	1,428	-	(0)	401	401	-	34	-	1,908
2010	1,394	344	-	1,738	1,394	351	(350)	1,395	11.3%	42	301	343	-	1,738	-	(0)	286	286	76	-	76	1,811
2011	1,502	364	4	1,870	1,502	383	(333)	1,552	11.3%	42	276	318	-	1,870	-	(0)	191	191	66	-	142	1,662
2012	1,619	365	7	1,992	1,619	409	(300)	1,727	11.3%	42	223	265	-	1,992	-	(0)	144	144	11	-	153	1,483
2013	1,956	351	8	2,314	1,956	411	(445)	1,922	11.3%	42	315	357	-	2,279	(35)	(35)	-	(35)	125	-	277	1,211
2014	2,112	316	15	2,442	2,112	402	(402)	2,112	9.9%	-	166	166	-	2,278	(164)	(200)	-	(200)	114	-	392	962
2015	2,280	272	21	2,573	2,280	370	(370)	2,280	8.0%	-	161	161	-	2,441	(132)	(331)	-	(331)	88	-	480	743
2016	2,463	225	25	2,713	2,463	327	(327)	2,463	8.0%	-	156	156	-	2,619	(94)	(425)	-	(425)	57	-	537	561
2017	2,660	172	28	2,860	2,660	278	(278)	2,660	8.0%	-	152	152	-	2,811	(49)	(474)	-	(474)	21	-	558	421
2018	2,872	125	29	3,027	2,872	221	(221)	2,872	8.0%	-	148	148	-	3,020	(7)	(480)	-	(480)	-	14	545	321
2019	3,102	90	29	3,221	3,102	169	(169)	3,102	8.0%	-	144	144	-	3,246	25	(456)	-	(456)	-	39	505	248
2020	3,350	66	27	3,443	3,350	129	(129)	3,350	8.0%	-	140	140	-	3,491	48	(408)	-	(408)	-	58	447	195
2021	3,619	51	23	3,693	3,619	99	(99)	3,619	8.0%	-	137	137	-	3,756	63	(345)	-	(345)	-	71	376	155
2022	3,908	38	20	3,966	3,908	78	(78)	3,908	8.0%	-	134	134	-	4,043	77	(269)	-	(269)	-	82	294	125
2023	4,222	29	15	4,266	4,222	59	(59)	4,222	8.0%	-	131	131	-	4,353	87	(182)	-	(182)	-	91	203	103
2024	4,560	23	11	4,594	4,560	44	(44)	4,560	8.0%	-	129	129	-	4,688	94	(88)	-	(88)	-	98	105	85
2025	4,925	18	6	4,949	4,925	32	(32)	4,925	8.0%	-	112	112	-	5,037	88	0	14	14	-	105	0	71
	50,680	3,982	281	54,942	50,680	4,652	(4,003)	51,329		336	3,216	3,552	3	54,883	-				690	690		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 20.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,484	2,490	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,686		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	174	-	174	2,001
2007	1,009	286	9	1,305	1,009	112	-	1,121	0.6%	42	136	178	0	1,299	(6)	(0)	280	280	-	33	141	2,107
2008	1,030	338	7	1,375	1,030	323	(181)	1,171	4.5%	42	162	204	-	1,375	-	(0)	312	312	-	23	118	2,150
2009	1,107	357	6	1,470	1,107	379	(213)	1,273	8.7%	42	155	197	-	1,470	-	(0)	347	347	-	32	86	2,162
2010	1,417	390	5	1,811	1,417	398	(278)	1,536	20.7%	42	233	275	-	1,811	-	(0)	300	300	24	-	109	2,049
2011	1,527	415	6	1,948	1,527	435	(244)	1,718	11.8%	42	188	230	-	1,948	-	(0)	295	295	-	30	80	1,876
2012	1,646	414	4	2,065	1,646	461	(259)	1,848	7.6%	42	174	216	-	2,065	-	(0)	298	298	-	45	35	1,669
2013	2,009	397	2	2,407	2,009	458	(458)	2,009	8.7%	42	356	398	-	2,407	-	(0)	115	115	122	-	158	1,362
2014	2,170	355	8	2,534	2,170	445	(445)	2,170	8.0%	-	282	282	-	2,452	(82)	(82)	-	(82)	140	-	298	1,081
2015	2,344	306	16	2,666	2,344	408	(408)	2,344	8.0%	-	162	162	-	2,506	(160)	(242)	-	(242)	111	-	409	835
2016	2,532	252	21	2,806	2,532	360	(360)	2,532	8.0%	-	157	157	-	2,689	(117)	(359)	-	(359)	76	-	485	631
2017	2,736	193	25	2,954	2,736	306	(306)	2,736	8.0%	-	152	152	-	2,888	(66)	(425)	-	(425)	35	-	520	474
2018	2,956	140	27	3,123	2,956	242	(242)	2,956	8.0%	-	148	148	-	3,104	(20)	(445)	-	(445)	-	3	517	360
2019	3,193	102	27	3,322	3,193	184	(184)	3,193	8.0%	-	144	144	-	3,338	15	(430)	-	(430)	-	32	485	279
2020	3,450	74	25	3,550	3,450	140	(140)	3,450	8.0%	-	141	141	-	3,591	41	(389)	-	(389)	-	53	433	220
2021	3,728	57	23	3,808	3,728	107	(107)	3,728	8.0%	-	137	137	-	3,865	57	(331)	-	(331)	-	67	366	175
2022	4,028	43	19	4,090	4,028	84	(84)	4,028	8.0%	-	134	134	-	4,162	72	(259)	-	(259)	-	79	287	141
2023	4,352	33	15	4,400	4,352	63	(63)	4,352	8.1%	-	131	131	-	4,484	83	(175)	-	(175)	-	88	199	116
2024	4,703	27	10	4,740	4,703	48	(48)	4,703	8.1%	-	129	129	-	4,831	92	(84)	-	(84)	-	96	103	96
2025	5,081	21	5	5,107	5,081	35	(35)	5,081	8.1%	-	110	110	-	5,191	84	0	16	16	-	103	0	80
	52,007	4,423	263	56,693	52,007	5,113	(4,056)	53,064		336	3,231	3,567	3	56,633	-				683	683		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, NF*
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,360	2,522	290	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,701		2025 Ending Surplus / (Deficit)		(505)	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	217	-	217	2,211
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	0	281	281	-	26	190	2,355
2008	1,030	372	10	1,412	1,030	326	(183)	1,172	4.5%	42	198	240	-	1,412	-	0	279	279	12	-	202	2,403
2009	1,107	395	11	1,512	1,107	421	(237)	1,292	10.2%	42	178	220	-	1,512	-	0	292	292	-	11	191	2,417
2010	1,440	435	10	1,885	1,440	445	(250)	1,635	26.6%	42	208	250	-	1,885	-	0	273	273	-	7	185	2,287
2011	1,552	465	10	2,027	1,552	489	(275)	1,767	8.1%	42	218	260	-	2,027	-	0	239	239	-	6	179	2,089
2012	1,673	464	9	2,146	1,673	522	(293)	1,902	7.7%	42	202	244	-	2,146	-	0	216	216	-	24	155	1,856
2013	2,062	442	8	2,512	2,062	519	(519)	2,062	8.4%	42	391	433	-	2,494	(18)	(18)	-	(18)	166	-	320	1,513
2014	2,228	395	17	2,640	2,228	505	(505)	2,228	8.1%	-	168	168	-	2,396	(244)	(262)	-	(262)	181	-	502	1,201
2015	2,408	340	26	2,774	2,408	464	(464)	2,408	8.1%	-	163	163	-	2,570	(204)	(466)	-	(466)	149	-	651	928
2016	2,602	280	34	2,916	2,602	412	(412)	2,602	8.1%	-	157	157	-	2,759	(157)	(622)	-	(622)	111	-	763	700
2017	2,812	214	40	3,066	2,812	352	(352)	2,812	8.1%	-	153	153	-	2,965	(101)	(724)	-	(724)	66	-	829	527
2018	3,039	156	44	3,239	3,039	283	(283)	3,039	8.1%	-	148	148	-	3,187	(51)	(775)	-	(775)	26	-	855	400
2019	3,285	113	45	3,443	3,285	221	(221)	3,285	8.1%	-	144	144	-	3,429	(13)	(788)	-	(788)	-	5	850	310
2020	3,550	82	45	3,677	3,550	173	(173)	3,550	8.1%	-	141	141	-	3,691	14	(774)	-	(774)	-	27	823	244
2021	3,837	63	43	3,944	3,837	138	(138)	3,837	8.1%	-	138	138	-	3,975	31	(743)	-	(743)	-	41	782	194
2022	4,147	47	41	4,236	4,147	115	(115)	4,147	8.1%	-	134	134	-	4,282	46	(697)	-	(697)	-	53	729	157
2023	4,483	37	38	4,558	4,483	94	(94)	4,483	8.1%	-	132	132	-	4,614	57	(641)	-	(641)	-	62	667	129
2024	4,845	30	35	4,910	4,845	79	(79)	4,845	8.1%	-	129	129	-	4,974	64	(577)	-	(577)	-	69	598	106
2025	5,237	23	31	5,292	5,237	67	(67)	5,237	8.1%	-	126	126	-	5,363	72	(505)	-	(505)	-	75	523	89
	53,335	4,864	509	58,707	53,335	5,865	(4,660)	54,539		336	3,265	3,601	3	58,143	(505)				928	405		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits. Premium stabilization does not appear financially feasible under the assumed scenario.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,187	2,445	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,737		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	45	-	45	1,351
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	45	-	1,376
2008	1,059	235	-	1,295	1,059	256	(144)	1,172	4.8%	42	81	123	-	1,295	-	(0)	441	441	-	-	-	1,390
2009	1,170	243	-	1,413	1,170	259	(159)	1,269	8.3%	42	102	144	-	1,413	-	(0)	529	529	-	-	-	1,385
2010	1,290	254	-	1,545	1,290	268	(183)	1,375	8.3%	42	128	170	-	1,545	-	(0)	592	592	-	-	-	1,356
2011	1,422	263	-	1,685	1,422	280	(212)	1,489	8.3%	42	154	196	-	1,685	-	(0)	628	628	-	-	-	1,302
2012	1,565	266	-	1,831	1,565	290	(242)	1,613	8.3%	42	176	218	-	1,831	-	(0)	640	640	-	-	-	1,225
2013	1,721	260	-	1,981	1,721	292	(267)	1,747	8.3%	42	192	234	-	1,981	-	(0)	633	633	-	-	-	1,129
2014	1,892	248	-	2,140	1,892	286	(286)	1,892	8.3%	-	247	247	-	2,140	-	(0)	567	567	-	-	-	1,014
2015	2,079	231	-	2,310	2,079	272	(302)	2,050	8.3%	-	261	261	-	2,310	-	(0)	482	482	-	-	-	881
2016	2,283	213	-	2,496	2,283	255	(318)	2,220	8.3%	-	276	276	-	2,496	-	(0)	375	375	-	-	-	737
2017	2,507	190	-	2,697	2,507	234	(337)	2,405	8.3%	-	293	293	-	2,697	-	(0)	244	244	-	-	-	587
2018	2,706	163	-	2,869	2,706	209	(310)	2,604	8.3%	-	264	264	-	2,869	-	(0)	134	134	-	-	-	456
2019	2,920	134	-	3,053	2,920	180	(278)	2,821	8.3%	-	232	232	-	3,053	-	(0)	48	48	22	-	22	348
2020	3,151	105	1	3,257	3,151	148	(244)	3,055	8.3%	-	189	189	-	3,245	(12)	(12)	-	(12)	43	-	64	264
2021	3,400	78	3	3,482	3,400	119	(210)	3,310	8.3%	-	138	138	-	3,447	(34)	(46)	-	(46)	22	-	86	201
2022	3,670	57	5	3,731	3,670	91	(176)	3,585	8.3%	-	135	135	-	3,719	(12)	(58)	-	(58)	3	-	89	155
2023	3,960	42	5	4,007	3,960	68	(145)	3,883	8.3%	-	132	132	-	4,014	7	(51)	-	(51)	-	14	75	122
2024	4,274	31	4	4,309	4,274	50	(119)	4,205	8.3%	-	129	129	-	4,334	25	(26)	-	(26)	-	30	46	97
2025	4,613	24	2	4,639	4,613	37	(95)	4,555	8.3%	-	110	110	-	4,665	26	(0)	16	16	-	46	-	79
	47,681	3,493	22	51,197	47,681	3,826	(4,026)	47,482		336	3,317	3,653	3	51,137	-				134	134		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,285	2,455	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,715		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	88	-	88	1,567
2007	1,009	267	5	1,281	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	67	20	1,596
2008	1,064	269	1	1,334	1,064	294	(165)	1,193	6.6%	42	99	141	-	1,334	-	(0)	389	389	-	20	-	1,612
2009	1,179	280	-	1,459	1,179	296	(180)	1,295	8.6%	42	122	164	-	1,459	-	(0)	456	456	-	-	-	1,606
2010	1,305	296	-	1,600	1,305	308	(206)	1,406	8.6%	42	152	194	-	1,600	-	(0)	491	491	-	-	-	1,570
2011	1,442	307	-	1,749	1,442	325	(240)	1,527	8.6%	42	180	222	-	1,749	-	(0)	497	497	-	-	-	1,503
2012	1,592	308	-	1,900	1,592	338	(271)	1,658	8.6%	42	200	242	-	1,900	-	(0)	480	480	-	-	-	1,412
2013	1,756	301	-	2,057	1,756	339	(294)	1,800	8.6%	42	214	256	-	2,057	-	(0)	445	445	-	-	-	1,298
2014	1,935	285	-	2,221	1,935	331	(311)	1,955	8.6%	-	266	266	-	2,221	-	(0)	353	353	-	-	-	1,166
2015	2,132	267	-	2,398	2,132	314	(323)	2,123	8.6%	-	276	276	-	2,398	-	(0)	245	245	-	-	-	1,012
2016	2,347	244	-	2,592	2,347	293	(336)	2,305	8.6%	-	287	287	-	2,592	-	(0)	118	118	51	-	51	846
2017	2,583	218	3	2,804	2,583	272	(352)	2,503	8.6%	-	272	272	-	2,774	(30)	(30)	-	(30)	113	-	165	674
2018	2,789	187	9	2,985	2,789	249	(321)	2,718	8.6%	-	150	150	-	2,867	(118)	(148)	-	(148)	88	-	253	524
2019	3,011	153	13	3,178	3,011	221	(281)	2,951	8.6%	-	145	145	-	3,096	(81)	(229)	-	(229)	57	-	309	400
2020	3,251	120	16	3,387	3,251	187	(233)	3,204	8.6%	-	142	142	-	3,346	(41)	(270)	-	(270)	22	-	331	303
2021	3,510	89	17	3,616	3,510	151	(181)	3,479	8.6%	-	138	138	-	3,617	1	(270)	-	(270)	-	15	316	231
2022	3,789	65	17	3,871	3,789	117	(128)	3,778	8.6%	-	135	135	-	3,912	41	(228)	-	(228)	-	52	264	178
2023	4,091	48	14	4,153	4,091	87	(87)	4,091	8.3%	-	132	132	-	4,223	70	(159)	-	(159)	-	77	187	140
2024	4,417	36	10	4,463	4,417	64	(64)	4,417	8.0%	-	129	129	-	4,546	83	(76)	-	(76)	-	89	98	112
2025	4,769	27	5	4,802	4,769	45	(45)	4,769	8.0%	-	108	108	-	4,877	76	(0)	18	18	-	98	-	90
	48,960	3,991	109	53,060	48,960	4,465	(4,020)	49,405		336	3,257	3,593	3	53,001	-				419	419		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,374	2,469	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,694		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	130	-	130	1,780
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	45	86	1,826
2008	1,068	303	4	1,376	1,068	320	(179)	1,208	7.9%	42	125	167	-	1,376	-	(0)	345	345	-	62	24	1,845
2009	1,188	317	1	1,506	1,188	335	(205)	1,318	9.1%	42	146	188	-	1,506	-	(0)	387	387	-	24	-	1,838
2010	1,319	338	-	1,658	1,319	349	(229)	1,438	9.1%	42	177	219	-	1,658	-	(0)	395	395	-	-	-	1,793
2011	1,462	353	-	1,815	1,462	372	(265)	1,569	9.1%	42	204	246	-	1,815	-	(0)	373	373	-	-	-	1,711
2012	1,619	353	-	1,972	1,619	388	(295)	1,712	9.1%	42	217	259	-	1,972	-	(0)	333	333	-	-	-	1,604
2013	1,791	343	-	2,134	1,791	388	(310)	1,868	9.1%	42	223	265	-	2,134	-	(0)	282	282	12	-	12	1,472
2014	1,979	324	1	2,303	1,979	378	(318)	2,039	9.1%	-	265	265	-	2,303	-	(0)	186	186	66	-	78	1,320
2015	2,185	303	4	2,492	2,185	361	(322)	2,224	9.1%	-	267	267	-	2,492	-	(0)	82	82	69	-	147	1,145
2016	2,411	277	8	2,696	2,411	342	(326)	2,427	9.1%	-	241	241	-	2,668	(27)	(27)	-	(27)	72	-	219	956
2017	2,660	247	11	2,918	2,660	317	(329)	2,648	9.1%	-	155	155	-	2,803	(115)	(142)	-	(142)	76	-	295	762
2018	2,872	212	15	3,100	2,872	288	(288)	2,872	8.5%	-	150	150	-	3,023	(77)	(220)	-	(220)	43	-	338	592
2019	3,102	173	18	3,293	3,102	253	(253)	3,102	8.0%	-	146	146	-	3,248	(45)	(265)	-	(265)	17	-	355	452
2020	3,350	135	19	3,504	3,350	211	(211)	3,350	8.0%	-	142	142	-	3,492	(12)	(277)	-	(277)	-	10	345	343
2021	3,619	101	18	3,738	3,619	169	(169)	3,619	8.0%	-	138	138	-	3,757	19	(257)	-	(257)	-	36	310	261
2022	3,908	74	16	3,999	3,908	129	(129)	3,908	8.0%	-	135	135	-	4,044	45	(212)	-	(212)	-	57	253	202
2023	4,222	55	13	4,290	4,222	96	(96)	4,222	8.0%	-	132	132	-	4,353	64	(148)	-	(148)	-	73	180	159
2024	4,560	41	9	4,610	4,560	71	(71)	4,560	8.0%	-	129	129	-	4,689	79	(70)	-	(70)	-	85	95	127
2025	4,925	31	5	4,961	4,925	50	(50)	4,925	8.0%	-	106	106	-	5,031	70	(0)	21	21	-	95	-	103
	50,239	4,489	150	54,878	50,239	5,052	(4,045)	51,247		336	3,234	3,570	3	54,819	-				486	486		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,460	2,497	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,686		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	172	-	172	1,989
2007	1,009	286	9	1,305	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	38	134	2,071
2008	1,072	338	7	1,417	1,072	323	(181)	1,214	8.3%	42	161	203	-	1,417	-	(0)	312	312	-	27	107	2,093
2009	1,197	355	6	1,557	1,197	377	(238)	1,337	10.1%	42	178	220	-	1,557	-	(0)	323	323	-	13	94	2,084
2010	1,333	383	5	1,722	1,333	395	(257)	1,472	10.1%	42	208	250	-	1,722	-	(0)	302	302	10	-	104	2,029
2011	1,483	403	5	1,891	1,483	428	(289)	1,622	10.1%	42	227	269	-	1,891	-	(0)	257	257	25	-	129	1,930
2012	1,646	400	7	2,053	1,646	450	(310)	1,786	10.1%	42	225	267	-	2,053	-	(0)	210	210	21	-	150	1,804
2013	1,825	388	8	2,221	1,825	449	(307)	1,967	10.1%	42	212	254	-	2,221	-	(0)	172	172	8	-	158	1,652
2014	2,022	365	8	2,395	2,022	436	(291)	2,167	10.1%	-	228	228	-	2,395	-	(0)	113	113	24	-	183	1,479
2015	2,238	340	10	2,588	2,238	412	(263)	2,387	10.1%	-	201	201	-	2,588	-	(0)	77	77	-	3	179	1,282
2016	2,475	310	9	2,795	2,475	385	(231)	2,629	10.1%	-	166	166	-	2,795	-	(0)	71	71	-	37	143	1,070
2017	2,736	276	8	3,019	2,736	350	(350)	2,736	4.1%	-	227	227	-	2,963	(57)	(57)	-	(57)	84	-	227	852
2018	2,956	237	12	3,205	2,956	317	(317)	2,956	8.0%	-	151	151	-	3,107	(98)	(155)	-	(155)	60	-	288	663
2019	3,193	194	15	3,402	3,193	278	(278)	3,193	8.0%	-	147	147	-	3,340	(62)	(218)	-	(218)	31	-	319	506
2020	3,450	151	17	3,618	3,450	232	(232)	3,450	8.0%	-	142	142	-	3,593	(25)	(243)	-	(243)	1	-	320	384
2021	3,728	113	17	3,857	3,728	184	(184)	3,728	8.0%	-	139	139	-	3,867	9	(233)	-	(233)	-	27	292	293
2022	4,028	83	15	4,126	4,028	141	(141)	4,028	8.0%	-	135	135	-	4,163	37	(196)	-	(196)	-	51	242	227
2023	4,352	61	13	4,426	4,352	105	(105)	4,352	8.1%	-	132	132	-	4,484	58	(138)	-	(138)	-	68	174	178
2024	4,703	46	9	4,757	4,703	77	(77)	4,703	8.1%	-	129	129	-	4,832	74	(64)	-	(64)	-	81	92	142
2025	5,081	35	5	5,121	5,081	56	(56)	5,081	8.1%	-	103	103	-	5,185	64	(0)	23	23	-	92	-	115
	51,517	4,986	184	56,688	51,517	5,631	(4,106)	53,042		336	3,248	3,584	3	56,628	-				438	438		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 13.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,539	2,504	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,650		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	214	-	214	2,198
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	(0)	281	281	-	32	182	2,315
2008	1,077	372	10	1,458	1,077	325	(183)	1,219	8.6%	42	197	239	-	1,458	-	(0)	279	279	7	-	189	2,341
2009	1,206	392	10	1,608	1,206	420	(244)	1,383	13.4%	42	184	226	-	1,608	-	(0)	287	287	-	10	179	2,331
2010	1,348	428	9	1,785	1,348	442	(248)	1,542	11.5%	42	202	244	-	1,785	-	(0)	273	273	1	-	180	2,265
2011	1,503	452	9	1,965	1,503	481	(270)	1,714	11.2%	42	208	250	-	1,965	-	(0)	249	249	1	-	181	2,149
2012	1,673	448	10	2,131	1,673	508	(285)	1,896	10.6%	42	193	235	-	2,131	-	(0)	236	236	-	16	165	2,004
2013	1,860	433	9	2,302	1,860	502	(282)	2,080	9.7%	42	180	222	-	2,302	-	(0)	232	232	-	30	134	1,832
2014	2,065	406	7	2,478	2,065	484	(272)	2,278	9.5%	-	200	200	-	2,478	-	(0)	202	202	-	9	125	1,639
2015	2,291	378	7	2,675	2,291	454	(255)	2,490	9.3%	-	185	185	-	2,675	-	(0)	183	183	-	25	100	1,419
2016	2,539	344	5	2,888	2,539	421	(237)	2,724	9.4%	-	164	164	-	2,888	-	(0)	181	181	-	44	56	1,183
2017	2,812	305	3	3,120	2,812	381	(381)	2,812	3.2%	-	308	308	-	3,120	-	(0)	29	29	103	-	160	943
2018	3,039	263	8	3,310	3,039	345	(345)	3,039	8.1%	-	181	181	-	3,220	(90)	(90)	-	(90)	77	-	237	733
2019	3,285	214	12	3,512	3,285	303	(303)	3,285	8.1%	-	147	147	-	3,432	(80)	(170)	-	(170)	45	-	282	560
2020	3,550	167	15	3,732	3,550	252	(252)	3,550	8.1%	-	143	143	-	3,693	(39)	(209)	-	(209)	12	-	294	425
2021	3,837	124	15	3,977	3,837	200	(200)	3,837	8.1%	-	139	139	-	3,976	(1)	(210)	-	(210)	-	19	275	324
2022	4,147	91	14	4,253	4,147	153	(153)	4,147	8.1%	-	136	136	-	4,283	30	(180)	-	(180)	-	44	230	251
2023	4,483	68	12	4,563	4,483	114	(114)	4,483	8.1%	-	132	132	-	4,615	52	(128)	-	(128)	-	63	167	197
2024	4,845	51	9	4,905	4,845	84	(84)	4,845	8.1%	-	129	129	-	4,975	70	(58)	-	(58)	-	78	89	157
2025	5,237	38	5	5,280	5,237	61	(61)	5,237	8.1%	-	101	101	-	5,338	58	0	25	25	-	89	0	127
	52,796	5,484	181	58,460	52,796	6,169	(4,168)	54,797		336	3,265	3,601	3	58,401	-				460	460		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,200	2,444	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,730		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	43	-	43	1,343
2007	1,009	233	2	1,245	1,009	108	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	43	-	1,348
2008	1,088	235	-	1,322	1,088	256	(144)	1,200	7.3%	42	80	122	-	1,322	-	(0)	441	441	-	-	-	1,316
2009	1,226	242	-	1,468	1,226	258	(188)	1,297	8.1%	42	129	171	-	1,468	-	(0)	503	503	-	-	-	1,239
2010	1,376	248	-	1,624	1,376	266	(241)	1,401	8.1%	42	181	223	-	1,624	-	(0)	511	511	-	-	-	1,113
2011	1,538	248	-	1,786	1,538	273	(297)	1,514	8.1%	42	231	273	-	1,786	-	(0)	467	467	-	-	-	949
2012	1,714	236	-	1,950	1,714	273	(352)	1,636	8.1%	42	272	314	-	1,950	-	(0)	376	376	-	-	-	765
2013	1,849	209	-	2,059	1,849	259	(342)	1,767	8.1%	42	250	292	-	2,059	-	(0)	301	301	-	-	-	598
2014	1,996	174	-	2,169	1,996	230	(316)	1,910	8.1%	-	260	260	-	2,169	-	(0)	209	209	-	-	-	458
2015	2,153	136	-	2,289	2,153	191	(281)	2,063	8.1%	-	226	226	-	2,289	-	(0)	145	145	-	-	-	348
2016	2,323	102	-	2,426	2,323	149	(244)	2,229	8.1%	-	196	196	-	2,426	-	(0)	104	104	-	-	-	265
2017	2,507	75	-	2,582	2,507	112	(211)	2,409	8.1%	-	174	174	-	2,582	-	(0)	82	82	-	-	-	205
2018	2,706	55	-	2,761	2,706	83	(186)	2,603	8.1%	-	158	158	-	2,761	-	(0)	71	71	-	-	-	161
2019	2,920	41	-	2,961	2,920	61	(168)	2,812	8.1%	-	149	149	-	2,961	-	(0)	67	67	-	-	-	129
2020	3,151	32	-	3,183	3,151	45	(157)	3,039	8.1%	-	144	144	-	3,183	-	(0)	64	64	-	-	-	104
2021	3,400	24	-	3,425	3,400	35	(152)	3,283	8.1%	-	141	141	-	3,425	-	(0)	61	61	-	-	-	85
2022	3,670	19	-	3,689	3,670	27	(149)	3,548	8.1%	-	141	141	-	3,689	-	(0)	55	55	-	-	-	70
2023	3,960	15	-	3,976	3,960	21	(148)	3,833	8.1%	-	142	142	-	3,976	-	(0)	45	45	-	-	-	58
2024	4,274	12	-	4,287	4,274	17	(149)	4,142	8.1%	-	145	145	-	4,287	-	(0)	30	30	-	-	-	49
2025	4,613	10	-	4,623	4,613	14	(151)	4,475	8.1%	-	148	148	-	4,623	-	(0)	8	8	0	-	0	41
	48,463	2,570	2	51,036	48,463	2,805	(3,875)	47,393		336	3,246	3,582	3	50,977	-				43	43		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,314	2,462	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,732		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	86	-	86	1,557
2007	1,009	267	4	1,280	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	0	299	299	-	72	14	1,564
2008	1,096	269	1	1,365	1,096	294	(177)	1,213	8.4%	42	110	152	-	1,365	-	0	377	377	-	14	-	1,528
2009	1,243	278	-	1,521	1,243	295	(224)	1,314	8.4%	42	165	207	-	1,521	-	0	401	401	-	-	-	1,440
2010	1,402	289	-	1,691	1,402	305	(283)	1,425	8.4%	42	224	266	-	1,691	-	0	362	362	-	-	-	1,292
2011	1,575	290	-	1,865	1,575	317	(348)	1,544	8.4%	42	278	320	-	1,865	-	0	264	264	-	-	-	1,100
2012	1,763	274	-	2,036	1,763	319	(408)	1,674	8.4%	42	321	363	-	2,036	-	0	117	117	61	-	61	885
2013	1,903	243	3	2,149	1,903	305	(393)	1,814	8.4%	42	283	325	-	2,139	(10)	(10)	-	(10)	87	-	148	691
2014	2,054	201	8	2,262	2,054	276	(363)	1,966	8.4%	-	162	162	-	2,128	(134)	(144)	-	(144)	102	-	250	530
2015	2,217	157	13	2,387	2,217	236	(321)	2,131	8.4%	-	157	157	-	2,288	(99)	(243)	-	(243)	73	-	323	402
2016	2,393	118	17	2,528	2,393	192	(275)	2,310	8.4%	-	153	153	-	2,463	(65)	(308)	-	(308)	46	-	369	307
2017	2,583	87	19	2,690	2,583	151	(231)	2,503	8.4%	-	150	150	-	2,653	(37)	(345)	-	(345)	23	-	392	237
2018	2,789	64	21	2,874	2,789	118	(194)	2,713	8.4%	-	146	146	-	2,859	(14)	(359)	-	(359)	4	-	396	186
2019	3,011	48	21	3,079	3,011	94	(164)	2,941	8.4%	-	143	143	-	3,084	4	(355)	-	(355)	-	12	384	149
2020	3,251	37	20	3,307	3,251	75	(138)	3,188	8.4%	-	140	140	-	3,327	20	(335)	-	(335)	-	26	359	120
2021	3,510	28	19	3,557	3,510	61	(116)	3,455	8.4%	-	137	137	-	3,592	35	(300)	-	(300)	-	39	320	98
2022	3,789	22	17	3,828	3,789	50	(94)	3,745	8.4%	-	134	134	-	3,878	50	(250)	-	(250)	-	54	266	81
2023	4,091	18	14	4,123	4,091	40	(72)	4,059	8.4%	-	131	131	-	4,190	67	(183)	-	(183)	-	69	196	67
2024	4,417	14	10	4,442	4,417	31	(49)	4,399	8.4%	-	128	128	-	4,527	86	(97)	-	(97)	-	88	109	57
2025	4,769	12	6	4,787	4,769	22	(23)	4,768	8.4%	-	116	116	-	4,884	97	0	10	10	-	109	0	48
	49,854	2,937	193	52,983	49,854	3,414	(3,873)	49,395		336	3,191	3,527	3	52,924	-				482	482		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,423	2,481	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,732		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	128	-	128	1,769
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	50	78	1,790
2008	1,104	303	4	1,411	1,104	319	(203)	1,220	9.0%	42	148	190	-	1,411	-	(0)	322	322	-	50	28	1,751
2009	1,260	314	1	1,576	1,260	334	(265)	1,330	9.0%	42	204	246	-	1,576	-	(0)	304	304	-	3	26	1,650
2010	1,429	331	1	1,761	1,429	347	(327)	1,449	9.0%	42	270	312	-	1,761	-	(0)	217	217	53	-	79	1,480
2011	1,612	334	4	1,950	1,612	368	(401)	1,579	9.0%	42	329	371	-	1,950	-	(0)	66	66	106	-	185	1,257
2012	1,811	314	10	2,135	1,811	378	(468)	1,721	9.0%	42	239	281	-	2,002	(133)	(133)	-	(133)	150	-	335	1,011
2013	1,956	278	18	2,251	1,956	365	(445)	1,875	9.0%	42	168	210	-	2,085	(167)	(300)	-	(300)	122	-	458	789
2014	2,112	229	24	2,365	2,112	332	(401)	2,043	9.0%	-	163	163	-	2,206	(159)	(459)	-	(459)	122	-	580	605
2015	2,280	180	30	2,491	2,280	286	(340)	2,226	9.0%	-	158	158	-	2,384	(106)	(566)	-	(566)	77	-	657	459
2016	2,463	135	35	2,632	2,463	236	(273)	2,426	9.0%	-	154	154	-	2,580	(52)	(618)	-	(618)	30	-	688	350
2017	2,660	99	36	2,795	2,660	188	(204)	2,644	9.0%	-	150	150	-	2,793	(1)	(619)	-	(619)	-	15	673	271
2018	2,872	74	35	2,981	2,872	148	(148)	2,872	8.7%	-	146	146	-	3,019	37	(582)	-	(582)	-	49	624	213
2019	3,102	54	33	3,189	3,102	117	(117)	3,102	8.0%	-	143	143	-	3,245	56	(526)	-	(526)	-	64	560	170
2020	3,350	42	29	3,421	3,350	92	(92)	3,350	8.0%	-	140	140	-	3,490	69	(457)	-	(457)	-	75	484	137
2021	3,619	32	25	3,676	3,619	74	(74)	3,619	8.0%	-	137	137	-	3,755	79	(378)	-	(378)	-	84	400	112
2022	3,908	26	21	3,955	3,908	59	(59)	3,908	8.0%	-	134	134	-	4,042	87	(291)	-	(291)	-	91	309	93
2023	4,222	20	16	4,258	4,222	46	(46)	4,222	8.0%	-	131	131	-	4,353	94	(196)	-	(196)	-	97	212	77
2024	4,560	16	11	4,587	4,560	35	(35)	4,560	8.0%	-	128	128	-	4,688	101	(96)	-	(96)	-	103	109	65
2025	4,925	13	6	4,944	4,925	24	(24)	4,925	8.0%	-	115	115	-	5,040	96	(0)	11	11	-	109	0	55
	51,244	3,303	347	54,894	51,244	3,984	(3,921)	51,306		336	3,190	3,526	3	54,835	-				790	790		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,511	2,500	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,713		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	170	-	170	1,977
2007	1,009	286	9	1,304	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	44	126	2,031
2008	1,112	337	7	1,456	1,112	322	(199)	1,235	10.2%	42	179	221	-	1,456	-	(0)	294	294	-	23	103	1,988
2009	1,277	352	5	1,635	1,277	377	(293)	1,361	10.2%	42	232	274	-	1,635	-	(0)	251	251	21	-	124	1,876
2010	1,456	375	7	1,837	1,456	394	(350)	1,499	10.2%	42	295	337	-	1,837	-	(0)	140	140	72	-	196	1,681
2011	1,649	381	10	2,040	1,649	424	(420)	1,652	10.2%	42	320	362	-	2,014	(27)	(27)	-	(27)	116	-	312	1,425
2012	1,859	357	16	2,233	1,859	437	(477)	1,820	10.2%	42	174	216	-	2,036	(197)	(223)	-	(223)	141	-	452	1,146
2013	2,009	316	24	2,348	2,009	419	(422)	2,006	10.2%	42	169	211	-	2,216	(132)	(355)	-	(355)	82	-	534	893
2014	2,170	259	28	2,457	2,170	378	(378)	2,170	8.2%	-	163	163	-	2,333	(124)	(479)	-	(479)	82	-	616	684
2015	2,344	204	32	2,580	2,344	321	(321)	2,344	8.0%	-	159	159	-	2,503	(78)	(557)	-	(557)	45	-	661	519
2016	2,532	152	35	2,719	2,532	262	(262)	2,532	8.0%	-	154	154	-	2,687	(33)	(590)	-	(590)	8	-	669	396
2017	2,736	112	35	2,883	2,736	206	(206)	2,736	8.0%	-	150	150	-	2,886	3	(586)	-	(586)	-	21	648	307
2018	2,956	83	34	3,073	2,956	160	(160)	2,956	8.0%	-	147	147	-	3,102	29	(557)	-	(557)	-	42	605	240
2019	3,193	62	32	3,287	3,193	127	(127)	3,193	8.0%	-	143	143	-	3,337	50	(508)	-	(508)	-	59	546	192
2020	3,450	47	29	3,526	3,450	99	(99)	3,450	8.0%	-	140	140	-	3,590	64	(443)	-	(443)	-	72	474	155
2021	3,728	36	25	3,789	3,728	79	(79)	3,728	8.0%	-	137	137	-	3,865	76	(367)	-	(367)	-	81	393	127
2022	4,028	29	21	4,078	4,028	63	(63)	4,028	8.0%	-	134	134	-	4,162	84	(283)	-	(283)	-	89	304	105
2023	4,352	23	16	4,391	4,352	49	(49)	4,352	8.1%	-	131	131	-	4,483	92	(191)	-	(191)	-	95	209	87
2024	4,703	19	11	4,732	4,703	38	(38)	4,703	8.1%	-	128	128	-	4,831	99	(93)	-	(93)	-	102	107	73
2025	5,081	15	6	5,102	5,081	27	(27)	5,081	8.1%	-	113	113	-	5,195	93	(0)	12	12	-	107	0	62
	52,634	3,669	381	56,684	52,634	4,419	(3,971)	53,082		336	3,204	3,540	3	56,624	-				735	735		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 13.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,589	2,507	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,675		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	211	-	211	2,185
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	0	281	281	-	38	174	2,272
2008	1,121	371	9	1,501	1,121	325	(182)	1,263	12.6%	42	196	238	-	1,501	-	0	279	279	-	8	166	2,225
2009	1,295	389	9	1,692	1,295	418	(285)	1,428	13.0%	42	223	265	-	1,692	-	0	247	247	7	-	173	2,101
2010	1,482	419	9	1,910	1,482	438	(306)	1,614	13.0%	42	254	296	-	1,910	-	0	180	180	24	-	197	1,882
2011	1,686	429	10	2,125	1,686	472	(333)	1,824	13.0%	42	258	300	-	2,125	-	0	103	103	20	-	216	1,594
2012	1,908	401	11	2,320	1,908	484	(484)	1,908	4.6%	42	278	320	-	2,228	(92)	(92)	-	(92)	132	-	348	1,280
2013	2,062	354	18	2,434	2,062	461	(461)	2,062	8.1%	42	170	212	-	2,273	(160)	(252)	-	(252)	104	-	452	998
2014	2,228	290	24	2,541	2,228	415	(415)	2,228	8.1%	-	164	164	-	2,392	(149)	(401)	-	(401)	103	-	554	764
2015	2,408	228	29	2,664	2,408	351	(351)	2,408	8.1%	-	159	159	-	2,567	(98)	(499)	-	(499)	61	-	615	580
2016	2,602	170	32	2,804	2,602	286	(286)	2,602	8.1%	-	155	155	-	2,757	(48)	(546)	-	(546)	20	-	635	443
2017	2,812	125	33	2,970	2,812	224	(224)	2,812	8.1%	-	151	151	-	2,963	(7)	(554)	-	(554)	-	13	622	343
2018	3,039	93	33	3,165	3,039	173	(173)	3,039	8.1%	-	147	147	-	3,186	21	(533)	-	(533)	-	36	587	268
2019	3,285	69	31	3,384	3,285	137	(137)	3,285	8.1%	-	143	143	-	3,428	44	(489)	-	(489)	-	54	532	214
2020	3,550	52	28	3,630	3,550	107	(107)	3,550	8.1%	-	140	140	-	3,690	60	(429)	-	(429)	-	68	464	173
2021	3,837	40	24	3,902	3,837	84	(84)	3,837	8.1%	-	137	137	-	3,974	72	(357)	-	(357)	-	78	385	142
2022	4,147	32	20	4,200	4,147	67	(67)	4,147	8.1%	-	134	134	-	4,281	81	(276)	-	(276)	-	86	299	117
2023	4,483	26	16	4,525	4,483	53	(53)	4,483	8.1%	-	131	131	-	4,614	89	(186)	-	(186)	-	93	206	97
2024	4,845	21	11	4,877	4,845	41	(41)	4,845	8.1%	-	128	128	-	4,974	97	(89)	-	(89)	-	100	106	81
2025	5,237	17	6	5,260	5,237	29	(29)	5,237	8.1%	-	112	112	-	5,349	89	0	14	14	-	106	0	69
	54,025	4,034	364	58,423	54,025	4,800	(4,016)	54,808		336	3,217	3,553	3	58,364	-				680	680		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,239	2,462	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,785		2025 Ending Surplus / (Deficit)		7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	45	-	45	1,352
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	0	332	332	-	45	-	1,337
2008	1,030	235	-	1,264	1,030	256	(144)	1,142	2.1%	42	81	123	-	1,264	-	0	441	441	-	-	-	1,289
2009	1,365	242	-	1,607	1,365	258	(383)	1,241	8.6%	42	324	366	-	1,607	-	0	307	307	-	-	-	1,113
2010	1,473	247	-	1,720	1,473	266	(391)	1,348	8.6%	42	330	372	-	1,720	-	0	159	159	26	-	26	924
2011	1,589	241	1	1,831	1,589	274	(398)	1,464	8.6%	42	324	366	-	1,831	-	0	8	8	113	-	139	734
2012	1,714	214	7	1,936	1,714	273	(396)	1,591	8.6%	42	177	219	-	1,810	(126)	(126)	-	(126)	100	-	238	561
2013	1,849	171	13	2,033	1,849	250	(371)	1,729	8.6%	42	164	206	-	1,934	(98)	(224)	-	(224)	70	-	309	422
2014	1,996	124	16	2,136	1,996	205	(323)	1,878	8.6%	-	160	160	-	2,038	(98)	(322)	-	(322)	78	-	387	322
2015	2,153	91	20	2,265	2,153	158	(271)	2,040	8.6%	-	156	156	-	2,196	(69)	(391)	-	(391)	54	-	441	249
2016	2,323	67	23	2,414	2,323	126	(233)	2,217	8.6%	-	152	152	-	2,369	(45)	(436)	-	(436)	35	-	476	196
2017	2,507	52	25	2,584	2,507	102	(201)	2,408	8.6%	-	149	149	-	2,557	(27)	(464)	-	(464)	19	-	495	154
2018	2,706	38	26	2,770	2,706	86	(175)	2,616	8.6%	-	145	145	-	2,762	(8)	(472)	-	(472)	2	-	497	125
2019	2,920	29	26	2,975	2,920	71	(148)	2,843	8.6%	-	142	142	-	2,985	10	(462)	-	(462)	-	14	482	102
2020	3,151	24	25	3,200	3,151	60	(122)	3,088	8.6%	-	139	139	-	3,228	28	(434)	-	(434)	-	31	451	84
2021	3,400	18	24	3,442	3,400	52	(97)	3,355	8.6%	-	136	136	-	3,492	49	(385)	-	(385)	-	52	399	70
2022	3,670	15	21	3,706	3,670	43	(68)	3,645	8.6%	-	134	134	-	3,779	73	(312)	-	(312)	-	75	323	59
2023	3,960	12	17	3,990	3,960	35	(35)	3,960	8.6%	-	131	131	-	4,091	101	(210)	-	(210)	-	103	220	49
2024	4,274	10	12	4,296	4,274	26	(26)	4,274	7.9%	-	128	128	-	4,402	106	(104)	-	(104)	-	108	112	41
2025	4,613	8	6	4,627	4,613	18	(18)	4,613	7.9%	-	118	118	-	4,731	104	0	7	7	-	112	0	35
	48,692	2,295	264	51,252	48,692	2,792	(3,799)	47,685		336	3,168	3,504	3	51,192	-				541	541		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,349	2,475	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,776	2025 Ending Surplus / (Deficit)			8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	88	-	88	1,568
2007	1,009	267	5	1,281	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	76	11	1,551
2008	1,030	269	1	1,299	1,030	294	(165)	1,158	3.5%	42	98	140	-	1,299	-	(0)	389	389	-	11	-	1,497
2009	1,402	278	-	1,680	1,402	296	(433)	1,264	9.1%	42	374	416	-	1,680	-	(0)	204	204	55	-	55	1,295
2010	1,513	287	3	1,803	1,513	309	(442)	1,380	9.1%	42	381	423	-	1,803	-	(0)	2	2	158	-	213	1,075
2011	1,633	281	11	1,925	1,633	328	(455)	1,506	9.1%	42	177	219	-	1,725	(200)	(200)	-	(200)	158	-	371	853
2012	1,763	249	19	2,031	1,763	331	(449)	1,644	9.1%	42	170	212	-	1,855	(176)	(376)	-	(376)	136	-	507	652
2013	1,903	199	27	2,128	1,903	304	(412)	1,794	9.1%	42	165	207	-	2,001	(127)	(503)	-	(503)	95	-	602	491
2014	2,054	144	32	2,229	2,054	253	(349)	1,958	9.1%	-	160	160	-	2,118	(111)	(614)	-	(614)	88	-	689	375
2015	2,217	106	36	2,359	2,217	198	(278)	2,137	9.1%	-	156	156	-	2,293	(66)	(680)	-	(680)	49	-	738	290
2016	2,393	78	39	2,510	2,393	160	(220)	2,332	9.1%	-	152	152	-	2,485	(26)	(706)	-	(706)	13	-	751	227
2017	2,583	60	39	2,683	2,583	130	(168)	2,546	9.1%	-	149	149	-	2,694	11	(695)	-	(695)	-	21	730	180
2018	2,789	45	38	2,872	2,789	108	(119)	2,778	9.1%	-	146	146	-	2,924	52	(643)	-	(643)	-	59	672	145
2019	3,011	34	35	3,080	3,011	88	(88)	3,011	8.4%	-	142	142	-	3,153	73	(570)	-	(570)	-	78	593	118
2020	3,251	27	31	3,309	3,251	72	(72)	3,251	8.0%	-	139	139	-	3,390	81	(489)	-	(489)	-	85	508	97
2021	3,510	21	27	3,558	3,510	59	(59)	3,510	8.0%	-	136	136	-	3,646	88	(400)	-	(400)	-	92	416	81
2022	3,789	17	22	3,828	3,789	48	(48)	3,789	8.0%	-	134	134	-	3,923	94	(306)	-	(306)	-	97	319	68
2023	4,091	15	17	4,122	4,091	38	(38)	4,091	8.0%	-	131	131	-	4,222	99	(206)	-	(206)	-	102	218	57
2024	4,417	12	11	4,441	4,417	29	(29)	4,417	8.0%	-	128	128	-	4,545	105	(102)	-	(102)	-	106	111	48
2025	4,769	10	6	4,785	4,769	20	(20)	4,769	8.0%	-	117	117	-	4,887	102	(0)	8	8	-	111	0	41
	50,115	2,622	399	53,136	50,115	3,297	(3,843)	49,568		336	3,170	3,506	3	53,077	-				839	839		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,446	2,486	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,755		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	130	-	130	1,781
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	0	280	280	-	55	75	1,776
2008	1,030	303	4	1,336	1,030	319	(179)	1,170	4.4%	42	125	167	-	1,336	-	0	345	345	-	75	-	1,716
2009	1,439	315	-	1,754	1,439	333	(483)	1,289	10.2%	42	422	464	-	1,754	-	0	110	110	188	-	188	1,488
2010	1,553	329	10	1,893	1,553	357	(490)	1,421	10.2%	42	291	333	-	1,754	(138)	(138)	-	(138)	198	-	386	1,236
2011	1,677	324	20	2,021	1,677	385	(495)	1,567	10.2%	42	176	218	-	1,785	(237)	(375)	-	(375)	186	-	571	980
2012	1,811	286	30	2,127	1,811	389	(473)	1,727	10.2%	42	171	213	-	1,940	(188)	(563)	-	(563)	142	-	713	749
2013	1,956	228	37	2,221	1,956	356	(408)	1,904	10.2%	42	165	207	-	2,111	(110)	(673)	-	(673)	73	-	786	564
2014	2,112	165	41	2,318	2,112	296	(310)	2,099	10.2%	-	161	161	-	2,259	(59)	(732)	-	(732)	32	-	818	431
2015	2,280	123	43	2,446	2,280	229	(229)	2,280	8.7%	-	157	157	-	2,437	(9)	(741)	-	(741)	-	11	807	332
2016	2,463	90	42	2,595	2,463	181	(181)	2,463	8.0%	-	153	153	-	2,615	20	(721)	-	(721)	-	35	773	261
2017	2,660	69	41	2,769	2,660	144	(144)	2,660	8.0%	-	149	149	-	2,809	40	(681)	-	(681)	-	51	722	206
2018	2,872	52	38	2,962	2,872	118	(118)	2,872	8.0%	-	146	146	-	3,018	56	(625)	-	(625)	-	64	658	166
2019	3,102	39	35	3,176	3,102	95	(95)	3,102	8.0%	-	143	143	-	3,245	69	(556)	-	(556)	-	75	583	136
2020	3,350	31	31	3,412	3,350	77	(77)	3,350	8.0%	-	140	140	-	3,490	78	(478)	-	(478)	-	83	500	112
2021	3,619	24	26	3,669	3,619	63	(63)	3,619	8.0%	-	137	137	-	3,755	86	(392)	-	(392)	-	90	411	93
2022	3,908	20	22	3,950	3,908	51	(51)	3,908	8.0%	-	134	134	-	4,042	92	(300)	-	(300)	-	95	315	78
2023	4,222	17	17	4,255	4,222	40	(40)	4,222	8.0%	-	131	131	-	4,352	98	(202)	-	(202)	-	100	215	65
2024	4,560	14	11	4,585	4,560	31	(31)	4,560	8.0%	-	128	128	-	4,688	103	(99)	-	(99)	-	105	110	55
2025	4,925	11	6	4,942	4,925	22	(22)	4,925	8.0%	-	116	116	-	5,042	99	0	9	9	-	110	0	46
	51,538	2,949	460	54,947	51,538	3,721	(3,887)	51,372		336	3,177	3,513	3	54,888	-				949	949		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 13.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,529	2,499	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,727		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	172	-	172	1,990
2007	1,009	286	9	1,305	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	50	123	2,015
2008	1,030	337	6	1,373	1,030	322	(181)	1,171	4.4%	42	160	202	-	1,373	-	(0)	312	312	-	45	78	1,950
2009	1,476	353	4	1,832	1,476	375	(519)	1,332	13.8%	42	458	500	-	1,832	-	(0)	43	43	219	-	296	1,695
2010	1,594	373	16	1,983	1,594	405	(483)	1,516	13.8%	42	226	268	-	1,784	(199)	(199)	-	(199)	185	-	481	1,411
2011	1,721	370	25	2,117	1,721	439	(439)	1,721	13.6%	42	177	219	-	1,941	(176)	(375)	-	(375)	118	-	599	1,118
2012	1,859	327	31	2,218	1,859	442	(442)	1,859	8.0%	42	172	214	-	2,073	(144)	(520)	-	(520)	92	-	691	854
2013	2,009	260	36	2,305	2,009	399	(399)	2,009	8.0%	42	166	208	-	2,217	(88)	(608)	-	(608)	46	-	737	643
2014	2,170	188	39	2,396	2,170	329	(329)	2,170	8.0%	-	161	161	-	2,331	(65)	(673)	-	(673)	35	-	772	491
2015	2,344	140	41	2,525	2,344	251	(251)	2,344	8.0%	-	157	157	-	2,501	(24)	(697)	-	(697)	1	-	773	379
2016	2,532	103	41	2,676	2,532	199	(199)	2,532	8.0%	-	153	153	-	2,685	10	(687)	-	(687)	-	26	747	297
2017	2,736	78	39	2,853	2,736	156	(156)	2,736	8.0%	-	149	149	-	2,885	32	(655)	-	(655)	-	44	702	235
2018	2,956	59	37	3,052	2,956	127	(127)	2,956	8.0%	-	146	146	-	3,102	50	(605)	-	(605)	-	59	643	188
2019	3,193	44	34	3,272	3,193	102	(102)	3,193	8.0%	-	143	143	-	3,336	65	(541)	-	(541)	-	71	571	154
2020	3,450	35	30	3,515	3,450	82	(82)	3,450	8.0%	-	140	140	-	3,590	74	(466)	-	(466)	-	80	492	127
2021	3,728	28	26	3,781	3,728	67	(67)	3,728	8.0%	-	137	137	-	3,865	83	(383)	-	(383)	-	87	404	106
2022	4,028	23	21	4,072	4,028	54	(54)	4,028	8.0%	-	134	134	-	4,162	90	(293)	-	(293)	-	93	311	89
2023	4,352	19	16	4,388	4,352	43	(43)	4,352	8.1%	-	131	131	-	4,483	95	(198)	-	(198)	-	98	213	74
2024	4,703	16	11	4,730	4,703	33	(33)	4,703	8.1%	-	128	128	-	4,831	101	(97)	-	(97)	-	104	109	62
2025	5,081	13	6	5,100	5,081	24	(24)	5,081	8.1%	-	115	115	-	5,196	97	(0)	10	10	-	109	0	52
	52,961	3,276	468	56,704	52,961	4,085	(3,929)	53,117		336	3,189	3,525	3	56,645	-				867	867		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, NF*
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,551	2,514	121	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,700		2025 Ending Surplus / (Deficit)		(134)	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	214	-	214	2,199
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	(0)	281	281	-	44	170	2,254
2008	1,030	372	9	1,410	1,030	325	(182)	1,172	4.4%	42	196	238	-	1,410	-	(0)	279	279	-	12	158	2,183
2009	1,512	390	8	1,911	1,512	418	(418)	1,512	29.1%	42	356	398	-	1,911	-	(0)	113	113	110	-	267	1,902
2010	1,634	417	14	2,065	1,634	444	(444)	1,634	8.0%	42	298	340	-	1,974	(91)	(91)	-	(91)	141	-	408	1,585
2011	1,766	416	21	2,204	1,766	482	(482)	1,766	8.0%	42	179	221	-	1,986	(217)	(308)	-	(308)	151	-	559	1,256
2012	1,908	367	29	2,304	1,908	490	(490)	1,908	8.1%	42	173	215	-	2,123	(182)	(490)	-	(490)	122	-	682	960
2013	2,062	293	36	2,390	2,062	443	(443)	2,062	8.1%	42	167	209	-	2,271	(119)	(609)	-	(609)	72	-	754	722
2014	2,228	211	40	2,479	2,228	365	(365)	2,228	8.1%	-	162	162	-	2,390	(89)	(698)	-	(698)	55	-	808	552
2015	2,408	158	42	2,608	2,408	279	(279)	2,408	8.1%	-	158	158	-	2,565	(42)	(740)	-	(740)	17	-	825	425
2016	2,602	116	43	2,761	2,602	221	(221)	2,602	8.1%	-	153	153	-	2,755	(6)	(746)	-	(746)	-	13	812	333
2017	2,812	88	43	2,943	2,812	174	(174)	2,812	8.1%	-	150	150	-	2,962	19	(727)	-	(727)	-	33	779	263
2018	3,039	66	41	3,146	3,039	142	(142)	3,039	8.1%	-	146	146	-	3,185	39	(688)	-	(688)	-	49	730	211
2019	3,285	50	38	3,373	3,285	115	(115)	3,285	8.1%	-	143	143	-	3,428	55	(633)	-	(633)	-	62	668	172
2020	3,550	39	35	3,625	3,550	94	(94)	3,550	8.1%	-	140	140	-	3,690	65	(568)	-	(568)	-	71	596	142
2021	3,837	31	31	3,899	3,837	78	(78)	3,837	8.1%	-	137	137	-	3,974	75	(493)	-	(493)	-	79	517	119
2022	4,147	25	27	4,200	4,147	64	(64)	4,147	8.1%	-	134	134	-	4,281	81	(412)	-	(412)	-	85	432	99
2023	4,483	22	23	4,527	4,483	53	(53)	4,483	8.1%	-	131	131	-	4,614	87	(325)	-	(325)	-	90	342	83
2024	4,845	18	18	4,881	4,845	43	(43)	4,845	8.1%	-	128	128	-	4,974	92	(233)	-	(233)	-	95	247	69
2025	5,237	14	13	5,265	5,237	34	(34)	5,237	8.1%	-	126	126	-	5,363	98	(134)	-	(134)	-	100	146	59
	54,384	3,602	523	58,509	54,384	4,502	(4,122)	54,764		336	3,213	3,549	3	58,315	(134)				882	736		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits. Premium stabilization does not appear financially feasible under the assumed scenario.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,201	2,448	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,737		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	43	-	43	1,344
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	43	-	1,362
2008	1,088	235	-	1,322	1,088	256	(144)	1,200	7.3%	42	80	122	-	1,322	-	(0)	441	441	-	-	-	1,341
2009	1,170	242	-	1,412	1,170	258	(145)	1,283	6.9%	42	87	129	-	1,412	-	(0)	545	545	-	-	-	1,305
2010	1,376	251	-	1,626	1,376	266	(254)	1,388	8.2%	42	196	238	-	1,626	-	(0)	540	540	-	-	-	1,188
2011	1,482	254	-	1,737	1,482	276	(256)	1,502	8.2%	42	193	235	-	1,737	-	(0)	534	534	-	-	-	1,050
2012	1,714	247	-	1,961	1,714	280	(369)	1,624	8.2%	42	295	337	-	1,961	-	(0)	423	423	-	-	-	859
2013	1,849	227	-	2,076	1,849	272	(364)	1,757	8.2%	42	277	319	-	2,076	-	(0)	323	323	-	-	-	679
2014	1,996	195	-	2,190	1,996	250	(344)	1,901	8.2%	-	289	289	-	2,190	-	(0)	203	203	-	-	-	523
2015	2,153	156	-	2,309	2,153	214	(311)	2,056	8.2%	-	253	253	-	2,309	-	(0)	111	111	-	-	-	397
2016	2,323	119	-	2,443	2,323	171	(270)	2,224	8.2%	-	218	218	-	2,443	-	(0)	47	47	13	-	13	300
2017	2,507	87	1	2,595	2,507	132	(233)	2,406	8.2%	-	188	188	-	2,595	-	(0)	9	9	25	-	37	230
2018	2,706	64	2	2,772	2,706	98	(200)	2,603	8.2%	-	155	155	-	2,758	(14)	(14)	-	(14)	12	-	50	179
2019	2,920	47	3	2,969	2,920	73	(177)	2,816	8.2%	-	143	143	-	2,959	(11)	(25)	-	(25)	3	-	53	142
2020	3,151	36	3	3,190	3,151	55	(159)	3,046	8.2%	-	140	140	-	3,186	(4)	(28)	-	(28)	-	2	51	114
2021	3,400	28	3	3,431	3,400	42	(148)	3,295	8.2%	-	137	137	-	3,432	1	(27)	-	(27)	-	5	46	92
2022	3,670	21	2	3,693	3,670	33	(138)	3,565	8.2%	-	134	134	-	3,698	5	(22)	-	(22)	-	8	37	76
2023	3,960	17	2	3,979	3,960	26	(130)	3,856	8.2%	-	131	131	-	3,987	8	(15)	-	(15)	-	10	27	63
2024	4,274	13	1	4,289	4,274	20	(123)	4,171	8.2%	-	128	128	-	4,299	10	(4)	-	(4)	-	12	15	53
2025	4,613	11	1	4,625	4,613	16	(116)	4,512	8.2%	-	117	117	-	4,629	4	(0)	9	9	-	15	-	44
	48,352	2,705	20	51,076	48,352	2,971	(3,883)	47,440		336	3,239	3,575	3	51,017	-				96	96		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 8.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,312	2,460	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,730		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	86	-	86	1,559
2007	1,009	267	5	1,280	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	(0)	299	299	-	69	17	1,579
2008	1,096	269	1	1,365	1,096	294	(177)	1,213	8.4%	42	110	152	-	1,365	-	(0)	378	378	-	17	-	1,557
2009	1,179	278	-	1,457	1,179	296	(166)	1,309	7.9%	42	107	149	-	1,457	-	(0)	459	459	-	-	-	1,514
2010	1,402	291	-	1,694	1,402	306	(290)	1,419	8.4%	42	232	274	-	1,694	-	(0)	414	414	-	-	-	1,378
2011	1,511	297	-	1,808	1,511	320	(293)	1,539	8.4%	42	227	269	-	1,808	-	(0)	370	370	-	-	-	1,215
2012	1,763	287	-	2,050	1,763	326	(420)	1,669	8.4%	42	339	381	-	2,050	-	(0)	209	209	-	-	-	993
2013	1,903	263	-	2,165	1,903	316	(408)	1,810	8.4%	42	314	356	-	2,165	-	(0)	63	63	94	-	94	785
2014	2,054	225	5	2,283	2,054	295	(386)	1,963	8.4%	-	225	225	-	2,188	(96)	(96)	-	(96)	122	-	216	604
2015	2,217	180	11	2,408	2,217	260	(348)	2,128	8.4%	-	158	158	-	2,286	(122)	(218)	-	(218)	93	-	309	458
2016	2,393	138	16	2,547	2,393	216	(301)	2,308	8.4%	-	154	154	-	2,462	(86)	(303)	-	(303)	63	-	373	346
2017	2,583	100	20	2,703	2,583	173	(254)	2,503	8.4%	-	150	150	-	2,653	(50)	(354)	-	(354)	34	-	407	266
2018	2,789	74	21	2,885	2,789	133	(208)	2,714	8.4%	-	146	146	-	2,860	(24)	(378)	-	(378)	12	-	419	207
2019	3,011	54	22	3,087	3,011	106	(174)	2,943	8.4%	-	143	143	-	3,086	(1)	(379)	-	(379)	-	7	412	164
2020	3,251	41	22	3,314	3,251	83	(142)	3,192	8.4%	-	140	140	-	3,331	18	(362)	-	(362)	-	24	388	131
2021	3,510	32	20	3,562	3,510	68	(116)	3,461	8.4%	-	137	137	-	3,598	36	(326)	-	(326)	-	41	347	107
2022	3,789	25	18	3,832	3,789	55	(91)	3,753	8.4%	-	134	134	-	3,887	55	(271)	-	(271)	-	59	288	88
2023	4,091	20	15	4,126	4,091	44	(65)	4,070	8.4%	-	131	131	-	4,201	75	(195)	-	(195)	-	78	210	73
2024	4,417	16	11	4,444	4,417	34	(37)	4,414	8.4%	-	128	128	-	4,542	98	(97)	-	(97)	-	101	109	61
2025	4,769	13	6	4,787	4,769	23	(23)	4,769	8.1%	-	115	115	-	4,884	97	0	10	10	-	109	-	51
	49,726	3,091	193	53,010	49,726	3,583	(3,900)	49,409		336	3,203	3,539	3	52,951	-				506	506		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,416	2,478	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,724		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	128	-	128	1,771
2007	1,009	286	7	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	47	82	1,808
2008	1,104	303	4	1,411	1,104	320	(203)	1,220	9.0%	42	149	191	-	1,411	-	(0)	322	322	-	47	35	1,783
2009	1,188	315	2	1,505	1,188	335	(193)	1,330	9.0%	42	134	176	-	1,505	-	(0)	375	375	-	35	-	1,734
2010	1,429	334	-	1,762	1,429	347	(327)	1,449	9.0%	42	272	314	-	1,762	-	(0)	288	288	27	-	27	1,576
2011	1,541	342	1	1,883	1,541	368	(330)	1,579	9.0%	42	263	305	-	1,883	-	(0)	204	204	47	-	74	1,387
2012	1,811	329	4	2,144	1,811	380	(471)	1,720	9.0%	42	378	420	-	2,140	(4)	(4)	-	(4)	157	-	231	1,133
2013	1,956	301	12	2,268	1,956	375	(456)	1,874	9.0%	42	169	211	-	2,085	(184)	(188)	-	(188)	136	-	367	894
2014	2,112	256	19	2,387	2,112	352	(422)	2,042	9.0%	-	163	163	-	2,205	(182)	(370)	-	(370)	141	-	507	688
2015	2,280	206	27	2,513	2,280	311	(367)	2,225	9.0%	-	159	159	-	2,383	(129)	(499)	-	(499)	96	-	603	522
2016	2,463	157	32	2,651	2,463	261	(300)	2,424	9.0%	-	154	154	-	2,578	(73)	(572)	-	(572)	48	-	651	395
2017	2,660	114	34	2,808	2,660	210	(229)	2,641	9.0%	-	150	150	-	2,791	(16)	(588)	-	(588)	-	2	649	303
2018	2,872	85	34	2,991	2,872	163	(163)	2,872	8.8%	-	147	147	-	3,019	28	(560)	-	(560)	-	41	607	235
2019	3,102	62	32	3,196	3,102	128	(128)	3,102	8.0%	-	143	143	-	3,245	50	(511)	-	(511)	-	59	548	187
2020	3,350	47	29	3,426	3,350	100	(100)	3,350	8.0%	-	140	140	-	3,490	64	(447)	-	(447)	-	72	477	150
2021	3,619	36	25	3,680	3,619	79	(79)	3,619	8.0%	-	137	137	-	3,756	76	(371)	-	(371)	-	81	395	122
2022	3,908	28	21	3,957	3,908	63	(63)	3,908	8.0%	-	134	134	-	4,042	85	(286)	-	(286)	-	89	306	100
2023	4,222	22	16	4,260	4,222	49	(49)	4,222	8.0%	-	131	131	-	4,353	93	(193)	-	(193)	-	96	210	83
2024	4,560	18	11	4,589	4,560	37	(37)	4,560	8.0%	-	128	128	-	4,688	99	(94)	-	(94)	-	102	108	69
2025	4,925	14	6	4,945	4,925	26	(26)	4,925	8.0%	-	114	114	-	5,039	94	0	12	12	-	108	-	58
	51,100	3,476	315	54,892	51,100	4,138	(3,942)	51,296		336	3,198	3,534	3	54,833	-				779	779		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 10.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,503	2,496	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,704		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	170	-	170	1,979
2007	1,009	286	9	1,304	1,009	112	-	1,121	0.6%	42	135	177	0	1,299	(6)	(0)	280	280	-	40	130	2,050
2008	1,112	337	7	1,456	1,112	322	(200)	1,235	10.1%	42	179	221	-	1,456	-	(0)	294	294	-	19	111	2,024
2009	1,197	353	6	1,556	1,197	377	(214)	1,360	10.1%	42	154	196	-	1,556	-	(0)	329	329	-	46	65	1,969
2010	1,456	378	3	1,837	1,456	392	(349)	1,498	10.1%	42	297	339	-	1,837	-	(0)	218	218	75	-	140	1,788
2011	1,570	390	7	1,967	1,570	424	(343)	1,650	10.1%	42	274	316	-	1,967	-	(0)	123	123	50	-	190	1,570
2012	1,859	374	10	2,243	1,859	440	(481)	1,818	10.1%	42	299	341	-	2,159	(85)	(85)	-	(85)	150	-	341	1,280
2013	2,009	341	18	2,367	2,009	431	(437)	2,002	10.1%	42	170	212	-	2,214	(153)	(238)	-	(238)	99	-	440	1,010
2014	2,170	289	23	2,482	2,170	400	(400)	2,170	8.4%	-	164	164	-	2,334	(148)	(386)	-	(386)	102	-	541	777
2015	2,344	232	28	2,605	2,344	350	(350)	2,344	8.0%	-	159	159	-	2,503	(101)	(487)	-	(487)	64	-	605	589
2016	2,532	177	32	2,741	2,532	290	(290)	2,532	8.0%	-	155	155	-	2,687	(54)	(541)	-	(541)	25	-	631	446
2017	2,736	128	33	2,897	2,736	231	(231)	2,736	8.0%	-	151	151	-	2,886	(11)	(552)	-	(552)	-	10	621	343
2018	2,956	96	33	3,084	2,956	177	(177)	2,956	8.0%	-	147	147	-	3,103	18	(534)	-	(534)	-	34	587	266
2019	3,193	70	31	3,294	3,193	139	(139)	3,193	8.0%	-	143	143	-	3,337	43	(491)	-	(491)	-	54	533	211
2020	3,450	53	28	3,531	3,450	108	(108)	3,450	8.0%	-	140	140	-	3,590	59	(432)	-	(432)	-	68	466	169
2021	3,728	41	24	3,793	3,728	85	(85)	3,728	8.0%	-	137	137	-	3,865	72	(360)	-	(360)	-	78	387	138
2022	4,028	32	20	4,080	4,028	67	(67)	4,028	8.0%	-	134	134	-	4,162	82	(278)	-	(278)	-	87	300	113
2023	4,352	26	16	4,393	4,352	52	(52)	4,352	8.1%	-	131	131	-	4,483	90	(188)	-	(188)	-	94	207	94
2024	4,703	20	11	4,734	4,703	40	(40)	4,703	8.1%	-	128	128	-	4,831	97	(91)	-	(91)	-	100	106	78
2025	5,081	16	6	5,103	5,081	28	(28)	5,081	8.1%	-	113	113	-	5,194	91	0	13	13	-	106	-	66
	52,475	3,861	345	56,681	52,475	4,590	(3,993)	53,072		336	3,211	3,547	3	56,622	-				736	736		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	Max O-of-P, 19.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,581	2,501	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,664		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	212	-	212	2,187
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	(0)	281	281	-	34	178	2,293
2008	1,121	371	9	1,501	1,121	325	(182)	1,263	12.6%	42	196	238	-	1,501	-	(0)	279	279	-	4	174	2,264
2009	1,206	390	9	1,605	1,206	419	(235)	1,390	10.0%	42	174	216	-	1,605	-	(0)	297	297	-	29	144	2,204
2010	1,482	422	8	1,912	1,482	438	(258)	1,662	19.6%	42	208	250	-	1,912	-	(0)	276	276	-	20	124	2,000
2011	1,599	438	7	2,043	1,599	472	(265)	1,805	8.6%	42	196	238	-	2,043	-	(0)	262	262	-	36	89	1,753
2012	1,908	419	5	2,331	1,908	487	(487)	1,908	5.7%	42	381	423	-	2,331	-	(0)	57	57	140	-	228	1,428
2013	2,062	381	12	2,455	2,062	474	(474)	2,062	8.1%	42	228	270	-	2,332	(123)	(123)	-	(123)	120	-	348	1,126
2014	2,228	323	18	2,569	2,228	439	(439)	2,228	8.1%	-	165	165	-	2,393	(176)	(298)	-	(298)	124	-	472	866
2015	2,408	259	25	2,691	2,408	382	(382)	2,408	8.1%	-	160	160	-	2,568	(124)	(422)	-	(422)	82	-	554	657
2016	2,602	197	29	2,828	2,602	317	(317)	2,602	8.1%	-	155	155	-	2,757	(71)	(493)	-	(493)	39	-	593	497
2017	2,812	143	31	2,986	2,812	251	(251)	2,812	8.1%	-	151	151	-	2,963	(23)	(516)	-	(516)	-	0	592	382
2018	3,039	107	31	3,177	3,039	191	(191)	3,039	8.1%	-	147	147	-	3,186	9	(507)	-	(507)	-	26	566	296
2019	3,285	78	30	3,392	3,285	150	(150)	3,285	8.1%	-	144	144	-	3,428	36	(471)	-	(471)	-	48	518	235
2020	3,550	59	27	3,636	3,550	116	(116)	3,550	8.1%	-	140	140	-	3,690	54	(417)	-	(417)	-	64	454	189
2021	3,837	45	24	3,906	3,837	91	(91)	3,837	8.1%	-	137	137	-	3,974	68	(349)	-	(349)	-	75	379	154
2022	4,147	35	20	4,203	4,147	72	(72)	4,147	8.1%	-	134	134	-	4,281	79	(270)	-	(270)	-	84	295	126
2023	4,483	29	15	4,527	4,483	56	(56)	4,483	8.1%	-	131	131	-	4,614	87	(182)	-	(182)	-	92	203	104
2024	4,845	23	11	4,879	4,845	43	(43)	4,845	8.1%	-	129	129	-	4,974	95	(87)	-	(87)	-	99	105	87
2025	5,237	18	6	5,261	5,237	31	(31)	5,237	8.1%	-	111	111	-	5,349	87	0	15	15	-	105	-	73
	53,849	4,246	327	58,422	53,849	4,990	(4,040)	54,799		336	3,225	3,561	3	58,363	-				716	716		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	Steady Trend
Interest Rate Paid on Debt:	5.25%, Coupon=Yield, Proceeds=Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%

Minimum PSF Percentage Achieving Desired Constraints

PSF Applied Incrementally, PSF NOT at least Assessment

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	8.5%	9.0%	9.5%	10.2%	10.9%
Delayed Act 13, Abatement through 12/31/2007	8.5%	8.9%	9.5%	10.0%	10.7%
$50K Increases, Abatement through 12/31/2007	8.5%	8.9%	9.4%	9.9%	10.4%
$100K Increases, Abatement through 12/31/2007	8.5%	8.9%	9.5%	10.2%	10.9%
HAP 1-Step, Abatement through 12/31/2007	8.5%	9.0%	9.6%	10.2%	11.0%
HAP 3-Step, Abatement through 12/31/2007	8.5%	8.9%	9.5%	10.1%	10.8%

PSF Applied Incrementally, PSF at least 56% of Assessment

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	8.5%	9.0%	9.7%	10.6%	11.6%
Delayed Act 13, Abatement through 12/31/2007	8.9%	9.4%	10.1%	11.0%	12.0%
$50K Increases, Abatement through 12/31/2007	8.5%	8.9%	9.5%	10.1%	10.9%
$100K Increases, Abatement through 12/31/2007	8.5%	9.0%	9.7%	10.5%	11.5%
HAP 1-Step, Abatement through 12/31/2007	8.6%	9.1%	9.8%	10.9%	12.4%
HAP 3-Step, Abatement through 12/31/2007	8.5%	9.0%	9.6%	10.5%	11.4%

PSF Applied Incrementally, PSF at least 56% of Assessment/100% when $1M primary limits

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	8.5%	9.0%	10.0%	12.0%	17.6%
Delayed Act 13, Abatement through 12/31/2007	8.9%	9.6%	11.3%	20.7%	NF*
$50K Increases, Abatement through 12/31/2007	8.5%	9.0%	9.8%	10.8%	13.7%
$100K Increases, Abatement through 12/31/2007	8.5%	9.0%	10.0%	11.9%	14.9%
HAP 1-Step, Abatement through 12/31/2007	8.6%	9.1%	10.2%	13.8%	NF*
HAP 3-Step, Abatement through 12/31/2007	8.5%	9.0%	10.0%	11.9%	19.6%

NF* indicates that the scenario does not appear to be financially feasible under certain conditions.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	Steady Trend
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.00%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	70%

PSF Applied Incrementally at 70% PwC Mcare Projections, PSF NOT at least Assessment

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
7	Act 13, Abatement through 12/31/2007, 8.5% PSF	29,082	2,457	59	(1,381)	407	-	-	-	-	30,625	8	39
12	Delayed Act 13, Abatement through 12/31/2007, 8.5% PSF	29,066	2,452	59	(1,378)	412	5	(5)	-	-	30,611	11	54
17	$50K Increases, Abatement through 12/31/2007, 8.5% PSF	29,049	2,448	59	(1,365)	410	3	(4)	-	-	30,602	16	79
22	$100K Increases, Abatement through 12/31/2007, 8.5% PSF	29,078	2,455	59	(1,382)	409	2	(2)	-	-	30,620	8	41
27	HAP 1-Step, Abatement through 12/31/2007, 8.5% PSF	29,088	2,460	59	(1,386)	410	3	(3)	-	-	30,631	7	35
32	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	29,075	2,454	59	(1,381)	410	3	(3)	-	-	30,617	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 70% PwC Mcare Projections, PSF at least 56% of Assessment

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
37	Act 13, Abatement through 12/31/2007, 8.5% PSF	29,082	2,457	59	(1,381)	407	-	-	-	-	30,625	8	39
42	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	29,080	2,457	59	(1,378)	412	5	(5)	-	-	30,630	11	54
47	$50k Increases, Abatement through 12/31/2007, 8.5% PSF	29,049	2,448	59	(1,365)	410	3	(4)	-	-	30,602	16	79
52	$100k Increases, Abatement through 12/31/2007, 8.5% PSF	29,078	2,455	59	(1,382)	409	2	(2)	-	-	30,620	8	41
57	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	29,097	2,462	59	(1,386)	410	3	(3)	-	-	30,643	7	35
62	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	29,075	2,454	59	(1,381)	410	3	(3)	-	-	30,617	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 70% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
67	Act 13, Abatement through 12/31/2007, 8.5% PSF	29,082	2,457	59	(1,381)	407	-	-	-	-	30,625	8	39
72	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	29,078	2,457	59	(1,378)	412	5	(5)	-	-	30,628	11	54
77	$50k Increases, Abatement through 12/31/2007, 8.5% PSF	29,049	2,448	59	(1,365)	410	3	(4)	-	-	30,602	16	79
82	$100k Increases, Abatement through 12/31/2007, 8.5% PSF	29,078	2,455	59	(1,382)	409	2	(2)	-	-	30,620	8	41
87	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	29,097	2,462	59	(1,386)	410	3	(3)	-	-	30,643	7	35
92	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	29,075	2,454	59	(1,381)	410	3	(3)	-	-	30,617	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

Note

Page numbers noted above are for the corresponding page in Exhibit 2 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	Steady Trend
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	80%

PSF Applied Incrementally at 80% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
8	Act 13, Abatement through 12/31/2007, 9.0% PSF	30,206	2,477	59	(1,570)	465	-	-	-	-	31,637	9	45
13	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	30,179	2,465	59	(1,567)	470	5	(5)	-	-	31,607	13	63
18	$50K Increases, Abatement through 12/31/2007, 8.9% PSF	30,157	2,464	59	(1,552)	469	4	(4)	-	-	31,597	18	90
23	$100K Increases, Abatement through 12/31/2007, 8.9% PSF	30,200	2,471	59	(1,571)	468	3	(3)	-	-	31,626	10	48
28	HAP 1-Step, Abatement through 12/31/2007, 9.0% PSF	30,213	2,474	59	(1,576)	469	3	(4)	-	-	31,639	8	41
33	HAP 3-Step, Abatement through 12/31/2007, 8.9% PSF	30,194	2,469	59	(1,570)	468	3	(3)	-	-	31,620	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 80% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
38	Act 13, Abatement through 12/31/2007, 9.0% PSF	30,203	2,476	59	(1,570)	465	-	-	-	-	31,633	9	45
43	Delayed Act 13, Abatement through 12/31/2007, 9.4% PSF	30,183	2,469	59	(1,567)	470	5	(5)	-	-	31,615	13	63
48	$50k Increases, Abatement through 12/31/2007, 8.9% PSF	30,153	2,464	59	(1,552)	469	4	(4)	-	-	31,593	18	90
53	$100k Increases, Abatement through 12/31/2007, 9.0% PSF	30,196	2,471	59	(1,571)	468	3	(3)	-	-	31,623	10	48
58	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	30,211	2,475	59	(1,576)	469	3	(4)	-	-	31,638	8	41
63	HAP 3-Step, Abatement through 12/31/2007, 9.0% PSF	30,190	2,469	59	(1,570)	468	3	(3)	-	-	31,616	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 9.4% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 80% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
68	Act 13, Abatement through 12/31/2007, 9.0% PSF	30,198	2,476	59	(1,570)	465	-	-	-	-	31,629	9	45
73	Delayed Act 13, Abatement through 12/31/2007, 9.6% PSF	30,175	2,468	59	(1,567)	470	5	(5)	-	-	31,606	13	63
78	$50k Increases, Abatement through 12/31/2007, 9.0% PSF	30,148	2,462	59	(1,552)	469	4	(4)	-	-	31,585	18	90
83	$100k Increases, Abatement through 12/31/2007, 9.0% PSF	30,192	2,471	59	(1,571)	468	3	(3)	-	-	31,618	10	48
88	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	30,207	2,475	59	(1,576)	469	3	(4)	-	-	31,633	8	41
93	HAP 3-Step, Abatement through 12/31/2007, 9.0% PSF	30,186	2,469	59	(1,570)	468	3	(3)	-	-	31,611	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 9.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

Note

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Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	Steady Trend
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	90%

PSF Applied Incrementally at 90% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
9	Act 13, Abatement through 12/31/2007, 9.5% PSF	31,319	2,497	59	(1,757)	523	-	-	-	-	32,642	10	51
14	Delayed Act 13, Abatement through 12/31/2007, 9.5% PSF	31,286	2,486	59	(1,753)	529	6	(6)	-	-	32,607	14	71
19	$50K Increases, Abatement through 12/31/2007, 9.4% PSF	31,267	2,501	59	(1,737)	528	4	(4)	-	-	32,618	21	103
24	$100K Increases, Abatement through 12/31/2007, 9.5% PSF	31,311	2,493	59	(1,758)	526	3	(3)	-	-	32,632	11	55
29	HAP 1-Step, Abatement through 12/31/2007, 9.6% PSF	31,324	2,487	59	(1,763)	527	4	(4)	-	-	32,634	9	46
34	HAP 3-Step, Abatement through 12/31/2007, 9.5% PSF	31,305	2,494	59	(1,757)	527	3	(3)	-	-	32,628	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.5% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 9.5% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 9.4% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 9.5% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.6% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 9.5% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 90% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
39	Act 13, Abatement through 12/31/2007, 9.7% PSF	31,309	2,497	59	(1,757)	523	-	-	-	-	32,632	10	51
44	Delayed Act 13, Abatement through 12/31/2007, 10.1% PSF	31,283	2,491	59	(1,753)	529	6	(6)	-	-	32,609	14	71
49	$50k Increases, Abatement through 12/31/2007, 9.5% PSF	31,256	2,498	59	(1,737)	528	4	(4)	-	-	32,605	21	103
54	$100k Increases, Abatement through 12/31/2007, 9.7% PSF	31,302	2,493	59	(1,758)	526	3	(3)	-	-	32,622	11	55
59	HAP 1-Step, Abatement through 12/31/2007, 9.8% PSF	31,315	2,487	59	(1,763)	527	4	(4)	-	-	32,625	9	46
64	HAP 3-Step, Abatement through 12/31/2007, 9.6% PSF	31,295	2,492	59	(1,757)	527	3	(3)	-	-	32,616	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.7% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 10.1% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 9.5% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 9.7% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.8% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 9.6% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 90% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
69	Act 13, Abatement through 12/31/2007, 10.0% PSF	31,296	2,496	59	(1,757)	523	-	-	-	-	32,618	10	51
74	Delayed Act 13, Abatement through 12/31/2007, 11.3% PSF	31,264	2,486	59	(1,753)	529	6	(6)	-	-	32,585	14	71
79	$50k Increases, Abatement through 12/31/2007, 9.8% PSF	31,237	2,487	59	(1,737)	528	4	(4)	-	-	32,575	21	103
84	$100k Increases, Abatement through 12/31/2007, 10.0% PSF	31,288	2,491	59	(1,758)	526	3	(3)	-	-	32,607	11	55
89	HAP 1-Step, Abatement through 12/31/2007, 10.2% PSF	31,303	2,486	59	(1,763)	527	4	(4)	-	-	32,613	9	46
94	HAP 3-Step, Abatement through 12/31/2007, 10.0% PSF	31,281	2,490	59	(1,757)	527	3	(3)	-	-	32,600	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.0% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 11.3% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 9.8% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 10.0% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 10.2% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.0% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

Note

Page numbers noted above are for the corresponding page in Exhibit 2 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	Steady Trend
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	100%

PSF Applied Incrementally at 100% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
10	Act 13, Abatement through 12/31/2007, 10.2% PSF	32,420	2,512	59	(1,940)	581	-	-	-	-	33,633	12	58
15	Delayed Act 13, Abatement through 12/31/2007, 10.0% PSF	32,387	2,511	59	(1,935)	588	7	(7)	-	-	33,609	16	80
20	$50K Increases, Abatement through 12/31/2007, 9.9% PSF	32,370	2,530	59	(1,917)	586	5	(5)	-	-	33,629	23	115
25	$100K Increases, Abatement through 12/31/2007, 10.2% PSF	32,413	2,510	59	(1,941)	585	3	(3)	-	-	33,625	12	62
30	HAP 1-Step, Abatement through 12/31/2007, 10.2% PSF	32,425	2,500	59	(1,946)	586	4	(4)	-	-	33,624	10	52
35	HAP 3-Step, Abatement through 12/31/2007, 10.1% PSF	32,406	2,512	59	(1,939)	585	4	(4)	-	-	33,623	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.2% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 10.0% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 9.9% PSF	96%	8%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 10.2% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 10.2% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.1% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 100% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
40	Act 13, Abatement through 12/31/2007, 10.6% PSF	32,404	2,511	59	(1,940)	581	-	-	-	-	33,616	12	58
45	Delayed Act 13, Abatement through 12/31/2007, 11.0% PSF	32,375	2,515	59	(1,935)	588	7	(7)	-	-	33,601	16	80
50	$50k Increases, Abatement through 12/31/2007, 10.1% PSF	32,351	2,528	59	(1,917)	586	5	(5)	-	-	33,608	23	115
55	$100k Increases, Abatement through 12/31/2007, 10.5% PSF	32,396	2,509	59	(1,941)	585	3	(3)	-	-	33,608	12	62
60	HAP 1-Step, Abatement through 12/31/2007, 10.9% PSF	32,410	2,501	59	(1,946)	586	4	(4)	-	-	33,610	10	52
65	HAP 3-Step, Abatement through 12/31/2007, 10.5% PSF	32,389	2,511	59	(1,939)	585	4	(4)	-	-	33,605	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.6% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 11.0% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 10.1% PSF	96%	8%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 10.5% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 10.9% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.5% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 100% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
70	Act 13, Abatement through 12/31/2007, 12.0% PSF	32,379	2,509	59	(1,940)	581	-	-	-	-	33,589	12	58
75	Delayed Act 13, Abatement through 12/31/2007, 20.7% PSF	32,342	2,490	59	(1,935)	588	7	(7)	-	-	33,544	16	80
80	$50k Increases, Abatement through 12/31/2007, 10.8% PSF	32,321	2,511	59	(1,917)	586	5	(5)	-	-	33,561	23	115
85	$100k Increases, Abatement through 12/31/2007, 11.9% PSF	32,370	2,505	59	(1,941)	585	3	(3)	-	-	33,578	12	62
90	HAP 1-Step, Abatement through 12/31/2007, 13.8% PSF	32,387	2,499	59	(1,946)	586	4	(4)	-	-	33,585	10	52
95	HAP 3-Step, Abatement through 12/31/2007, 11.9% PSF	32,363	2,503	59	(1,939)	585	4	(4)	-	-	33,571	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 12.0% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 20.7% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 10.8% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 11.9% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 13.8% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 11.9% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

Note

Page numbers noted above are for the corresponding page in Exhibit 2 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	Steady Trend
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	110%

PSF Applied Incrementally at 110% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
11	Act 13, Abatement through 12/31/2007, 10.9% PSF	33,518	2,523	59	(2,122)	639	-	-	-	-	34,618	13	64
16	Delayed Act 13, Abatement through 12/31/2007, 10.7% PSF	33,485	2,531	59	(2,117)	647	7	(7)	-	-	34,605	18	89
21	$50K Increases, Abatement through 12/31/2007, 10.4% PSF	33,471	2,552	59	(2,097)	645	5	(5)	-	-	34,630	25	127
26	$100K Increases, Abatement through 12/31/2007, 10.9% PSF	33,510	2,525	59	(2,123)	643	4	(4)	-	-	34,614	14	69
31	HAP 1-Step, Abatement through 12/31/2007, 11.0% PSF	33,523	2,511	59	(2,129)	644	5	(5)	-	-	34,608	12	59
36	HAP 3-Step, Abatement through 12/31/2007, 10.8% PSF	33,504	2,528	59	(2,122)	644	4	(4)	-	-	34,613	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.9% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 10.7% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 10.4% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 10.9% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 11.0% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.8% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 110% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
41	Act 13, Abatement through 12/31/2007, 11.6% PSF	33,494	2,523	59	(2,122)	639	-	-	-	-	34,594	13	64
46	Delayed Act 13, Abatement through 12/31/2007, 12.0% PSF	33,465	2,534	59	(2,117)	647	7	(7)	-	-	34,588	18	89
51	$50k Increases, Abatement through 12/31/2007, 10.9% PSF	33,442	2,550	59	(2,097)	645	5	(5)	-	-	34,600	25	127
56	$100k Increases, Abatement through 12/31/2007, 11.5% PSF	33,486	2,524	59	(2,123)	643	4	(4)	-	-	34,588	14	69
61	HAP 1-Step, Abatement through 12/31/2007, 12.4% PSF	33,501	2,512	59	(2,129)	644	5	(5)	-	-	34,587	12	59
66	HAP 3-Step, Abatement through 12/31/2007, 11.4% PSF	33,479	2,527	59	(2,122)	644	4	(4)	-	-	34,587	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 11.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 12.0% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 10.9% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 11.5% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 12.4% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 11.4% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 110% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
71	Act 13, Abatement through 12/31/2007, 17.6% PSF	33,455	2,512	59	(2,122)	639	-	-	-	-	34,544	13	64
76	Delayed Act 13, Abatement through 12/31/2007, NF* PSF	33,217	2,522	290	(2,117)	647	7	(7)	-	-	34,559	(505)	89
81	$50k Increases, Abatement through 12/31/2007, 13.7% PSF	33,396	2,504	59	(2,097)	645	5	(5)	-	-	34,507	25	127
86	$100k Increases, Abatement through 12/31/2007, 14.9% PSF	33,448	2,511	59	(2,123)	643	4	(4)	-	-	34,538	14	69
91	HAP 1-Step, Abatement through 12/31/2007, NF* PSF	33,408	2,514	121	(2,129)	644	5	(5)	-	-	34,557	(134)	59
96	HAP 3-Step, Abatement through 12/31/2007, 19.6% PSF	33,439	2,501	59	(2,122)	644	4	(4)	-	-	34,521	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 17.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, NF* PSF	96%	7%	1%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 13.7% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 14.9% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, NF* PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 19.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

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Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,082	2,457	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,625		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	39	-	39	1,325
2007	958	233	2	1,193	958	108	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	(262)	1,157	8.5%	42	198	240	-	1,396	-	(0)	324	324	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	(255)	1,255	8.5%	42	194	236	-	1,491	-	(0)	315	315	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	(250)	1,361	8.5%	42	186	228	-	1,589	-	(0)	311	311	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	(377)	1,476	8.5%	42	304	346	-	1,823	-	(0)	185	185	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	(370)	1,601	8.5%	42	286	328	-	1,930	-	(0)	69	69	66	-	66	678
2013	1,849	188	3	2,041	1,849	241	(353)	1,737	8.5%	42	234	276	-	2,013	(28)	(28)	-	(28)	67	-	133	527
2014	1,996	155	7	2,158	1,996	214	(325)	1,885	8.5%	-	160	160	-	2,045	(113)	(140)	-	(140)	88	-	221	402
2015	2,153	119	12	2,284	2,153	184	(293)	2,044	8.5%	-	156	156	-	2,201	(83)	(224)	-	(224)	64	-	285	306
2016	2,323	88	15	2,426	2,323	147	(253)	2,218	8.5%	-	153	153	-	2,370	(56)	(280)	-	(280)	42	-	327	235
2017	2,507	65	17	2,590	2,507	115	(217)	2,406	8.5%	-	149	149	-	2,555	(35)	(314)	-	(314)	25	-	351	183
2018	2,706	48	18	2,772	2,706	92	(188)	2,610	8.5%	-	146	146	-	2,755	(17)	(331)	-	(331)	9	-	360	145
2019	2,920	37	19	2,975	2,920	74	(162)	2,831	8.5%	-	142	142	-	2,973	(2)	(333)	-	(333)	-	4	357	117
2020	3,151	28	19	3,197	3,151	61	(141)	3,071	8.5%	-	139	139	-	3,210	13	(321)	-	(321)	-	17	340	95
2021	3,400	22	18	3,440	3,400	50	(119)	3,331	8.5%	-	136	136	-	3,468	28	(293)	-	(293)	-	31	309	78
2022	3,670	18	16	3,704	3,670	42	(98)	3,614	8.5%	-	134	134	-	3,747	43	(250)	-	(250)	-	46	262	65
2023	3,960	14	14	3,988	3,960	35	(75)	3,920	8.5%	-	131	131	-	4,051	63	(187)	-	(187)	-	65	198	54
2024	4,274	11	10	4,296	4,274	27	(49)	4,252	8.5%	-	128	128	-	4,380	85	(102)	-	(102)	-	86	112	46
2025	4,613	9	6	4,628	4,613	19	(19)	4,613	8.5%	-	118	118	-	4,731	102	0	8	8	-	112	0	39
	48,438	2,419	176	51,034	48,438	2,831	(3,807)	47,462		336	3,174	3,510	3	50,974	-				400	400		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,206	2,477	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,637	2025 Ending Surplus / (Deficit)			9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	82	-	82	1,537
2007	958	267	4	1,229	958	109	-	1,067	5.1%	42	113	155	0	1,223	(6)	(0)	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	(313)	1,163	9.0%	42	245	287	-	1,450	-	(0)	242	242	40	-	46	1,442
2009	1,273	274	2	1,550	1,273	297	(303)	1,267	9.0%	42	241	283	-	1,550	-	(0)	186	186	34	-	80	1,331
2010	1,371	279	4	1,655	1,371	306	(297)	1,380	9.0%	42	233	275	-	1,655	-	(0)	133	133	25	-	105	1,193
2011	1,633	273	6	1,912	1,633	313	(443)	1,504	9.0%	42	309	351	-	1,855	(57)	(57)	-	(57)	148	-	254	983
2012	1,763	251	13	2,027	1,763	315	(439)	1,638	9.0%	42	171	213	-	1,851	(176)	(233)	-	(233)	136	-	390	786
2013	1,903	218	20	2,141	1,903	299	(416)	1,785	9.0%	42	166	208	-	1,993	(148)	(382)	-	(382)	114	-	504	611
2014	2,054	180	26	2,260	2,054	269	(378)	1,945	9.0%	-	161	161	-	2,106	(154)	(535)	-	(535)	125	-	629	466
2015	2,217	138	33	2,388	2,217	234	(332)	2,119	9.0%	-	157	157	-	2,276	(112)	(648)	-	(648)	90	-	718	354
2016	2,393	102	38	2,532	2,393	193	(278)	2,309	9.0%	-	153	153	-	2,462	(71)	(718)	-	(718)	54	-	773	273
2017	2,583	75	41	2,699	2,583	156	(224)	2,515	9.0%	-	149	149	-	2,665	(35)	(753)	-	(753)	23	-	796	213
2018	2,789	56	42	2,887	2,789	129	(177)	2,740	9.0%	-	146	146	-	2,886	(0)	(753)	-	(753)	-	9	787	168
2019	3,011	42	41	3,095	3,011	107	(132)	2,986	9.0%	-	143	143	-	3,128	34	(720)	-	(720)	-	40	747	135
2020	3,251	32	39	3,322	3,251	90	(87)	3,253	9.0%	-	140	140	-	3,393	71	(649)	-	(649)	-	76	671	110
2021	3,510	25	35	3,570	3,510	74	(39)	3,544	9.0%	-	137	137	-	3,681	111	(539)	-	(539)	-	115	557	91
2022	3,789	21	29	3,839	3,789	60	-	3,849	8.6%	-	134	134	-	3,983	144	(395)	-	(395)	-	147	410	75
2023	4,091	16	22	4,129	4,091	46	-	4,137	7.5%	-	131	131	-	4,268	140	(255)	-	(255)	-	142	268	63
2024	4,417	13	14	4,444	4,417	33	-	4,450	7.6%	-	128	128	-	4,579	134	(121)	-	(121)	-	136	131	53
2025	4,769	11	7	4,787	4,769	22	-	4,791	7.7%	-	117	117	-	4,908	121	(0)	9	9	-	131	0	45
	49,846	2,764	418	53,028	49,846	3,473	(3,860)	49,459		336	3,171	3,507	3	52,968	-				872	872		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,319	2,497	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,642		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	123	-	123	1,746
2007	958	286	6	1,250	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	(349)	1,170	9.5%	42	294	336	-	1,506	-	(0)	176	176	85	-	154	1,653
2009	1,294	311	8	1,612	1,294	341	(353)	1,282	9.5%	42	289	331	-	1,612	-	(0)	74	74	78	-	232	1,528
2010	1,394	320	12	1,727	1,394	355	(345)	1,404	9.5%	42	255	297	-	1,701	(25)	(25)	-	(25)	67	-	299	1,369
2011	1,677	315	16	2,008	1,677	370	(509)	1,538	9.5%	42	177	219	-	1,757	(251)	(277)	-	(277)	203	-	502	1,126
2012	1,811	288	26	2,126	1,811	376	(502)	1,685	9.5%	42	172	214	-	1,898	(227)	(504)	-	(504)	182	-	684	899
2013	1,956	250	36	2,242	1,956	356	(467)	1,845	9.5%	42	167	209	-	2,054	(188)	(692)	-	(692)	148	-	832	699
2014	2,112	206	44	2,361	2,112	323	(414)	2,021	9.5%	-	162	162	-	2,183	(178)	(870)	-	(870)	145	-	976	533
2015	2,280	158	51	2,490	2,280	282	(349)	2,214	9.5%	-	157	157	-	2,371	(118)	(988)	-	(988)	93	-	1,069	405
2016	2,463	116	56	2,635	2,463	236	(273)	2,425	9.5%	-	153	153	-	2,579	(56)	(1,044)	-	(1,044)	38	-	1,107	312
2017	2,660	86	58	2,804	2,660	192	(195)	2,657	9.5%	-	150	150	-	2,806	2	(1,042)	-	(1,042)	-	16	1,091	243
2018	2,872	64	57	2,994	2,872	158	(120)	2,910	9.5%	-	146	146	-	3,056	62	(980)	-	(980)	-	72	1,018	193
2019	3,102	49	53	3,204	3,102	129	(44)	3,187	9.5%	-	143	143	-	3,330	126	(854)	-	(854)	-	134	885	154
2020	3,350	37	46	3,433	3,350	105	-	3,455	8.4%	-	140	140	-	3,595	161	(693)	-	(693)	-	167	718	126
2021	3,619	29	38	3,685	3,619	82	-	3,700	7.1%	-	137	137	-	3,837	152	(541)	-	(541)	-	156	562	104
2022	3,908	24	29	3,962	3,908	64	-	3,973	7.4%	-	134	134	-	4,106	145	(396)	-	(396)	-	149	413	86
2023	4,222	19	22	4,262	4,222	50	-	4,271	7.5%	-	131	131	-	4,402	140	(256)	-	(256)	-	143	270	71
2024	4,560	15	14	4,589	4,560	36	-	4,596	7.6%	-	128	128	-	4,724	135	(120)	-	(120)	-	137	132	60
2025	4,925	12	7	4,944	4,925	24	-	4,949	7.7%	-	115	115	-	5,065	120	(0)	10	10	-	132	0	51
	51,254	3,109	585	54,948	51,254	4,032	(3,920)	51,367		336	3,183	3,519	3	54,888	-				1,161	1,161		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,420	2,512	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,633		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	164	-	164	1,951
2007	958	286	9	1,253	958	112	-	1,069	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	(363)	1,178	10.2%	42	341	383	-	1,562	-	(0)	131	131	129	-	245	1,880
2009	1,315	348	13	1,675	1,315	384	(399)	1,299	10.2%	42	319	361	-	1,660	(15)	(15)	-	(15)	119	-	363	1,740
2010	1,417	363	19	1,799	1,417	403	(389)	1,431	10.2%	42	183	225	-	1,656	(143)	(158)	-	(158)	106	-	470	1,557
2011	1,721	360	25	2,107	1,721	427	(571)	1,577	10.2%	42	178	220	-	1,798	(309)	(467)	-	(467)	253	-	723	1,280
2012	1,859	328	38	2,226	1,859	438	(560)	1,738	10.2%	42	173	215	-	1,953	(273)	(740)	-	(740)	221	-	944	1,021
2013	2,009	285	50	2,343	2,009	416	(509)	1,915	10.2%	42	168	210	-	2,125	(218)	(958)	-	(958)	173	-	1,117	793
2014	2,170	233	59	2,461	2,170	378	(437)	2,111	10.2%	-	163	163	-	2,273	(188)	(1,147)	-	(1,147)	151	-	1,268	605
2015	2,344	180	67	2,590	2,344	329	(347)	2,326	10.2%	-	158	158	-	2,484	(106)	(1,253)	-	(1,253)	77	-	1,345	459
2016	2,532	132	71	2,735	2,532	275	(244)	2,563	10.2%	-	154	154	-	2,717	(17)	(1,270)	-	(1,270)	-	4	1,341	354
2017	2,736	97	70	2,904	2,736	222	(133)	2,825	10.2%	-	150	150	-	2,975	71	(1,199)	-	(1,199)	-	87	1,254	276
2018	2,956	73	66	3,094	2,956	180	(22)	3,113	10.2%	-	146	146	-	3,259	165	(1,034)	-	(1,034)	-	177	1,078	218
2019	3,193	55	57	3,305	3,193	142	-	3,336	7.2%	-	143	143	-	3,479	174	(860)	-	(860)	-	182	895	175
2020	3,450	41	47	3,539	3,450	112	-	3,563	6.8%	-	140	140	-	3,703	164	(697)	-	(697)	-	170	725	143
2021	3,728	33	38	3,799	3,728	87	-	3,815	7.1%	-	137	137	-	3,952	153	(543)	-	(543)	-	158	567	118
2022	4,028	27	30	4,084	4,028	69	-	4,097	7.4%	-	134	134	-	4,230	146	(397)	-	(397)	-	150	417	97
2023	4,352	21	22	4,395	4,352	54	-	4,406	7.5%	-	131	131	-	4,537	141	(256)	-	(256)	-	145	272	81
2024	4,703	17	14	4,734	4,703	39	-	4,742	7.6%	-	128	128	-	4,870	136	(120)	-	(120)	-	139	133	68
2025	5,081	14	7	5,102	5,081	27	-	5,108	7.7%	-	114	114	-	5,222	120	(0)	12	12	-	133	0	58
	52,662	3,453	705	56,820	52,662	4,540	(3,976)	53,227		336	3,196	3,532	3	56,761	-				1,394	1,394		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,518	2,523	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,618		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	206	-	206	2,156
2007	958	286	11	1,255	958	113	-	1,070	5.4%	42	136	178	0	1,249	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	(375)	1,187	10.9%	42	388	430	-	1,617	-	0	87	87	172	-	334	2,106
2009	1,335	385	18	1,737	1,335	426	(445)	1,317	10.9%	42	277	319	-	1,636	(102)	(102)	-	(102)	158	-	492	1,952
2010	1,440	406	26	1,872	1,440	451	(430)	1,461	10.9%	42	185	227	-	1,688	(183)	(285)	-	(285)	142	-	634	1,746
2011	1,766	406	33	2,205	1,766	483	(628)	1,621	10.9%	42	180	222	-	1,843	(362)	(646)	-	(646)	299	-	933	1,434
2012	1,908	369	49	2,326	1,908	500	(610)	1,798	10.9%	42	174	216	-	2,014	(311)	(958)	-	(958)	253	-	1,186	1,143
2013	2,062	320	62	2,444	2,062	474	(541)	1,995	10.9%	42	169	211	-	2,206	(238)	(1,196)	-	(1,196)	187	-	1,373	887
2014	2,228	261	72	2,561	2,228	431	(446)	2,213	10.9%	-	163	163	-	2,376	(184)	(1,380)	-	(1,380)	142	-	1,515	677
2015	2,408	201	80	2,688	2,408	374	(327)	2,455	10.9%	-	159	159	-	2,614	(75)	(1,455)	-	(1,455)	42	-	1,558	514
2016	2,602	147	82	2,831	2,602	311	(190)	2,724	10.9%	-	154	154	-	2,878	47	(1,408)	-	(1,408)	-	70	1,487	395
2017	2,812	109	78	2,999	2,812	248	(39)	3,021	10.9%	-	150	150	-	3,172	173	(1,236)	-	(1,236)	-	190	1,297	309
2018	3,039	82	68	3,189	3,039	195	-	3,234	7.0%	-	147	147	-	3,380	191	(1,044)	-	(1,044)	-	204	1,093	244
2019	3,285	62	57	3,404	3,285	153	-	3,438	6.3%	-	143	143	-	3,581	177	(867)	-	(867)	-	187	906	195
2020	3,550	46	48	3,644	3,550	120	-	3,670	6.8%	-	140	140	-	3,810	167	(700)	-	(700)	-	174	732	160
2021	3,837	36	38	3,912	3,837	93	-	3,930	7.1%	-	137	137	-	4,067	155	(545)	-	(545)	-	161	572	132
2022	4,147	30	30	4,207	4,147	73	-	4,220	7.4%	-	134	134	-	4,354	147	(398)	-	(398)	-	152	420	109
2023	4,483	24	22	4,529	4,483	57	-	4,540	7.6%	-	131	131	-	4,671	142	(256)	-	(256)	-	146	274	91
2024	4,845	19	14	4,879	4,845	42	-	4,887	7.7%	-	128	128	-	5,016	137	(119)	-	(119)	-	140	134	76
2025	5,237	16	7	5,260	5,237	29	-	5,266	7.8%	-	113	113	-	5,379	119	0	13	13	-	134	0	64
	54,071	3,797	804	58,671	54,071	5,024	(4,029)	55,065		336	3,208	3,544	3	58,612	-				1,601	1,601		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,066	2,452	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,611		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	46	-	46	1,360
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	46	-	1,401
2008	1,030	236	-	1,265	1,030	256	(129)	1,157	8.5%	42	66	108	-	1,265	-	(0)	455	455	-	-	-	1,429
2009	1,107	245	-	1,352	1,107	259	(111)	1,255	8.5%	42	55	97	-	1,352	-	(0)	591	591	-	-	-	1,440
2010	1,349	259	-	1,608	1,349	270	(258)	1,361	8.5%	42	205	247	-	1,608	-	(0)	579	579	-	-	-	1,370
2011	1,453	272	-	1,724	1,453	285	(261)	1,476	8.5%	42	206	248	-	1,724	-	(0)	562	562	-	-	-	1,264
2012	1,565	276	-	1,841	1,565	299	(262)	1,601	8.5%	42	197	239	-	1,841	-	(0)	550	550	-	-	-	1,131
2013	1,849	266	-	2,115	1,849	303	(416)	1,737	8.5%	42	336	378	-	2,115	-	(0)	395	395	-	-	-	926
2014	1,996	241	-	2,237	1,996	292	(404)	1,884	8.5%	-	353	353	-	2,237	-	(0)	214	214	-	-	-	735
2015	2,153	207	-	2,361	2,153	265	(375)	2,043	8.5%	-	317	317	-	2,361	-	(0)	58	58	55	-	55	569
2016	2,323	172	3	2,499	2,323	231	(338)	2,217	8.5%	-	213	213	-	2,430	(69)	(69)	-	(69)	99	-	155	429
2017	2,507	132	8	2,647	2,507	198	(301)	2,404	8.5%	-	151	151	-	2,555	(92)	(161)	-	(161)	71	-	226	322
2018	2,706	95	12	2,813	2,706	158	(256)	2,608	8.5%	-	147	147	-	2,755	(58)	(219)	-	(219)	43	-	268	245
2019	2,920	69	14	3,003	2,920	120	(211)	2,829	8.5%	-	143	143	-	2,972	(31)	(250)	-	(250)	20	-	288	189
2020	3,151	51	15	3,217	3,151	93	(175)	3,068	8.5%	-	140	140	-	3,208	(9)	(259)	-	(259)	0	-	289	149
2021	3,400	39	15	3,455	3,400	73	(145)	3,328	8.5%	-	137	137	-	3,465	11	(248)	-	(248)	-	17	272	118
2022	3,670	29	14	3,713	3,670	59	(118)	3,610	8.5%	-	134	134	-	3,744	31	(217)	-	(217)	-	36	236	95
2023	3,960	22	12	3,995	3,960	45	(90)	3,916	8.5%	-	131	131	-	4,047	52	(165)	-	(165)	-	56	180	78
2024	4,274	18	9	4,301	4,274	35	(61)	4,248	8.5%	-	128	128	-	4,376	75	(90)	-	(90)	-	77	103	65
2025	4,613	14	5	4,632	4,613	25	(31)	4,608	8.5%	-	115	115	-	4,722	90	0	11	11	-	103	-	54
	47,874	3,098	111	51,084	47,874	3,501	(3,943)	47,432		336	3,254	3,590	3	51,024	-				335	335		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,179	2,465	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,607		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	90	-	90	1,577
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	63	26	1,625
2008	1,030	270	1	1,300	1,030	295	(162)	1,163	8.9%	42	96	138	-	1,300	-	(0)	392	392	-	26	-	1,657
2009	1,107	282	-	1,389	1,107	296	(137)	1,266	8.9%	42	80	122	-	1,389	-	(0)	501	501	-	-	-	1,669
2010	1,371	301	-	1,672	1,371	310	(302)	1,379	8.9%	42	251	293	-	1,672	-	(0)	439	439	-	-	-	1,586
2011	1,478	317	-	1,794	1,478	331	(306)	1,502	8.9%	42	250	292	-	1,794	-	(0)	373	373	-	-	-	1,460
2012	1,592	320	-	1,911	1,592	348	(304)	1,636	8.9%	42	233	275	-	1,911	-	(0)	318	318	-	-	-	1,304
2013	1,903	307	-	2,210	1,903	352	(472)	1,782	8.9%	42	386	428	-	2,210	-	(0)	104	104	109	-	109	1,066
2014	2,054	278	6	2,337	2,054	344	(457)	1,941	8.9%	-	269	269	-	2,211	(127)	(127)	-	(127)	187	-	296	847
2015	2,217	239	16	2,472	2,217	323	(425)	2,115	8.9%	-	160	160	-	2,275	(197)	(324)	-	(324)	159	-	455	655
2016	2,393	198	24	2,615	2,393	289	(379)	2,303	8.9%	-	155	155	-	2,459	(156)	(480)	-	(480)	124	-	579	494
2017	2,583	152	30	2,765	2,583	251	(326)	2,509	8.9%	-	151	151	-	2,660	(106)	(586)	-	(586)	81	-	660	371
2018	2,789	110	35	2,933	2,789	205	(261)	2,733	8.9%	-	147	147	-	2,880	(54)	(640)	-	(640)	36	-	696	282
2019	3,011	80	37	3,127	3,011	161	(196)	2,976	8.9%	-	144	144	-	3,120	(7)	(647)	-	(647)	-	5	691	218
2020	3,251	59	36	3,345	3,251	128	(136)	3,242	8.9%	-	140	140	-	3,382	37	(611)	-	(611)	-	46	645	172
2021	3,510	45	34	3,588	3,510	102	(80)	3,531	8.9%	-	137	137	-	3,668	80	(531)	-	(531)	-	87	558	136
2022	3,789	33	29	3,852	3,789	82	(25)	3,846	8.9%	-	134	134	-	3,980	128	(402)	-	(402)	-	134	424	110
2023	4,091	26	22	4,139	4,091	61	-	4,152	8.0%	-	131	131	-	4,283	144	(258)	-	(258)	-	148	276	90
2024	4,417	21	14	4,452	4,417	44	-	4,461	7.4%	-	128	128	-	4,590	137	(120)	-	(120)	-	141	135	75
2025	4,769	16	7	4,792	4,769	30	-	4,800	7.6%	-	113	113	-	4,913	120	0	13	13	-	135	-	63
	49,202	3,540	296	53,038	49,202	4,187	(3,967)	49,421		336	3,219	3,555	3	52,979	-				786	786		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,286	2,486	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,607		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	132	-	132	1,791
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	40	92	1,859
2008	1,030	304	5	1,338	1,030	320	(180)	1,170	9.5%	42	127	169	-	1,338	-	(0)	344	344	-	57	35	1,896
2009	1,107	319	2	1,428	1,107	336	(163)	1,280	9.5%	42	106	148	-	1,428	-	(0)	427	427	-	35	-	1,908
2010	1,394	344	-	1,738	1,394	351	(344)	1,401	9.5%	42	295	337	-	1,738	-	(0)	318	318	44	-	44	1,811
2011	1,502	364	2	1,869	1,502	381	(350)	1,534	9.5%	42	293	335	-	1,869	-	(0)	206	206	83	-	127	1,662
2012	1,619	365	7	1,991	1,619	408	(348)	1,679	9.5%	42	270	312	-	1,991	-	(0)	111	111	58	-	185	1,483
2013	1,956	351	10	2,316	1,956	413	(531)	1,837	9.5%	42	283	325	-	2,162	(154)	(154)	-	(154)	211	-	396	1,211
2014	2,112	316	21	2,448	2,112	409	(509)	2,011	9.5%	-	166	166	-	2,177	(271)	(425)	-	(425)	221	-	617	962
2015	2,280	272	32	2,585	2,280	383	(462)	2,201	9.5%	-	161	161	-	2,362	(223)	(648)	-	(648)	179	-	796	743
2016	2,463	225	42	2,729	2,463	345	(398)	2,410	9.5%	-	156	156	-	2,566	(164)	(811)	-	(811)	127	-	924	561
2017	2,660	172	48	2,880	2,660	301	(323)	2,637	9.5%	-	152	152	-	2,789	(91)	(902)	-	(902)	63	-	987	421
2018	2,872	125	52	3,049	2,872	246	(232)	2,887	9.5%	-	148	148	-	3,034	(15)	(917)	-	(917)	-	5	981	321
2019	3,102	90	52	3,244	3,102	194	(136)	3,160	9.5%	-	144	144	-	3,304	59	(858)	-	(858)	-	74	907	248
2020	3,350	66	48	3,464	3,350	152	(44)	3,459	9.5%	-	140	140	-	3,599	135	(723)	-	(723)	-	145	762	195
2021	3,619	51	40	3,710	3,619	117	-	3,736	8.0%	-	137	137	-	3,873	163	(560)	-	(560)	-	171	591	155
2022	3,908	38	31	3,977	3,908	90	-	3,999	7.0%	-	134	134	-	4,133	155	(404)	-	(404)	-	161	430	125
2023	4,222	29	23	4,273	4,222	67	-	4,288	7.2%	-	131	131	-	4,419	146	(258)	-	(258)	-	151	279	103
2024	4,560	23	15	4,598	4,560	48	-	4,608	7.5%	-	129	129	-	4,737	139	(120)	-	(120)	-	142	137	85
2025	4,925	18	7	4,951	4,925	34	-	4,959	7.6%	-	112	112	-	5,070	120	(0)	14	14	-	137	-	71
	50,529	3,982	442	54,953	50,529	4,829	(4,020)	51,339		336	3,217	3,553	3	54,894	-				1,119	1,119		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,387	2,511	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,609		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	174	-	174	2,001
2007	958	286	9	1,253	958	112	-	1,070	5.3%	42	136	178	0	1,247	(6)	(0)	280	280	-	33	141	2,107
2008	1,030	338	7	1,375	1,030	323	(176)	1,177	10.0%	42	156	198	-	1,375	-	(0)	317	317	-	29	112	2,150
2009	1,107	357	6	1,470	1,107	378	(190)	1,295	10.0%	42	132	174	-	1,470	-	(0)	375	375	-	55	57	2,162
2010	1,417	390	3	1,810	1,417	396	(388)	1,425	10.0%	42	343	385	-	1,810	-	(0)	219	219	133	-	190	2,049
2011	1,527	415	10	1,952	1,527	440	(399)	1,569	10.0%	42	341	383	-	1,952	-	(0)	60	60	124	-	315	1,876
2012	1,646	414	17	2,077	1,646	474	(394)	1,726	10.0%	42	238	280	-	2,006	(71)	(71)	-	(71)	90	-	405	1,669
2013	2,009	397	21	2,426	2,009	479	(588)	1,899	10.0%	42	173	215	-	2,114	(312)	(383)	-	(383)	251	-	655	1,362
2014	2,170	355	34	2,560	2,170	474	(554)	2,090	10.0%	-	167	167	-	2,257	(302)	(685)	-	(685)	246	-	902	1,081
2015	2,344	306	47	2,698	2,344	443	(487)	2,300	10.0%	-	162	162	-	2,462	(236)	(921)	-	(921)	186	-	1,088	835
2016	2,532	252	57	2,842	2,532	400	(401)	2,531	10.0%	-	157	157	-	2,688	(154)	(1,075)	-	(1,075)	113	-	1,201	631
2017	2,736	193	63	2,992	2,736	347	(297)	2,786	10.0%	-	152	152	-	2,938	(54)	(1,129)	-	(1,129)	23	-	1,223	474
2018	2,956	140	64	3,160	2,956	283	(173)	3,065	10.0%	-	148	148	-	3,213	53	(1,076)	-	(1,076)	-	76	1,148	360
2019	3,193	102	60	3,355	3,193	221	(41)	3,373	10.0%	-	144	144	-	3,517	162	(914)	-	(914)	-	178	970	279
2020	3,450	74	51	3,576	3,450	168	-	3,618	7.3%	-	141	141	-	3,759	183	(730)	-	(730)	-	195	774	220
2021	3,728	57	41	3,826	3,728	127	-	3,854	6.5%	-	137	137	-	3,992	166	(564)	-	(564)	-	175	599	175
2022	4,028	43	31	4,102	4,028	98	-	4,125	7.0%	-	134	134	-	4,260	158	(407)	-	(407)	-	164	435	141
2023	4,352	33	23	4,408	4,352	72	-	4,424	7.2%	-	131	131	-	4,556	148	(259)	-	(259)	-	153	282	116
2024	4,703	27	15	4,744	4,703	53	-	4,755	7.5%	-	129	129	-	4,884	140	(119)	-	(119)	-	144	138	96
2025	5,081	21	7	5,109	5,081	37	-	5,118	7.6%	-	110	110	-	5,228	119	0	16	16	-	138	-	80
	51,857	4,423	568	56,847	51,857	5,448	(4,087)	53,218		336	3,231	3,567	3	56,788	-				1,341	1,341		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,485	2,531	59	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,605		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	217	-	217	2,211
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,250	(6)	(0)	281	281	-	26	190	2,355
2008	1,030	372	10	1,412	1,030	326	(170)	1,185	10.7%	42	185	227	-	1,412	-	(0)	291	291	-	1	190	2,403
2009	1,107	395	10	1,511	1,107	421	(216)	1,311	10.7%	42	158	200	-	1,511	-	(0)	325	325	-	31	158	2,417
2010	1,440	435	8	1,883	1,440	443	(432)	1,451	10.7%	42	390	432	-	1,883	-	(0)	124	124	175	-	334	2,287
2011	1,552	465	18	2,035	1,552	498	(444)	1,606	10.7%	42	308	350	-	1,956	(79)	(79)	-	(79)	163	-	497	2,089
2012	1,673	464	26	2,163	1,673	541	(436)	1,778	10.7%	42	179	221	-	1,999	(164)	(243)	-	(243)	117	-	614	1,856
2013	2,062	442	32	2,536	2,062	545	(640)	1,967	10.7%	42	174	216	-	2,184	(353)	(595)	-	(595)	284	-	898	1,513
2014	2,228	395	47	2,670	2,228	538	(589)	2,177	10.7%	-	168	168	-	2,346	(325)	(920)	-	(920)	262	-	1,160	1,201
2015	2,408	340	61	2,809	2,408	502	(500)	2,410	10.7%	-	163	163	-	2,572	(237)	(1,157)	-	(1,157)	182	-	1,342	928
2016	2,602	280	70	2,953	2,602	452	(387)	2,667	10.7%	-	157	157	-	2,824	(128)	(1,285)	-	(1,285)	83	-	1,425	700
2017	2,812	214	75	3,101	2,812	391	(251)	2,951	10.7%	-	153	153	-	3,104	3	(1,282)	-	(1,282)	-	38	1,387	527
2018	3,039	156	73	3,268	3,039	315	(88)	3,266	10.7%	-	148	148	-	3,415	147	(1,135)	-	(1,135)	-	172	1,215	400
2019	3,285	113	64	3,461	3,285	242	-	3,526	8.0%	-	144	144	-	3,671	209	(926)	-	(926)	-	228	988	310
2020	3,550	82	52	3,684	3,550	181	-	3,731	5.8%	-	141	141	-	3,872	188	(738)	-	(738)	-	201	787	244
2021	3,837	63	41	3,942	3,837	136	-	3,973	6.5%	-	138	138	-	4,111	169	(569)	-	(569)	-	179	608	194
2022	4,147	47	32	4,227	4,147	105	-	4,252	7.0%	-	134	134	-	4,387	160	(409)	-	(409)	-	167	440	157
2023	4,483	37	23	4,543	4,483	78	-	4,560	7.2%	-	132	132	-	4,692	149	(259)	-	(259)	-	155	285	129
2024	4,845	30	15	4,890	4,845	57	-	4,902	7.5%	-	129	129	-	5,031	141	(118)	-	(118)	-	146	140	106
2025	5,237	23	7	5,268	5,237	41	-	5,278	7.7%	-	108	108	-	5,386	118	(0)	18	18	-	140	-	89
	53,185	4,864	676	58,724	53,185	6,049	(4,154)	55,079		336	3,247	3,583	3	58,665	-				1,483	1,483		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,049	2,448	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,602		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	45	-	45	1,351
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,376
2008	1,059	235	-	1,295	1,059	256	(159)	1,157	8.5%	42	96	138	-	1,295	-	(0)	425	425	-	-	-	1,390
2009	1,170	243	-	1,413	1,170	259	(174)	1,254	8.5%	42	117	159	-	1,413	-	(0)	498	498	-	-	-	1,385
2010	1,290	254	-	1,545	1,290	268	(198)	1,361	8.5%	42	142	184	-	1,545	-	(0)	545	545	-	-	-	1,356
2011	1,422	263	-	1,685	1,422	280	(226)	1,476	8.5%	42	167	209	-	1,685	-	(0)	566	566	-	-	-	1,302
2012	1,565	266	-	1,831	1,565	290	(254)	1,601	8.5%	42	188	230	-	1,831	-	(0)	564	564	-	-	-	1,225
2013	1,721	260	-	1,981	1,721	292	(277)	1,736	8.5%	42	203	245	-	1,981	-	(0)	543	543	-	-	-	1,129
2014	1,892	248	-	2,140	1,892	286	(295)	1,883	8.5%	-	257	257	-	2,140	-	(0)	464	464	-	-	-	1,014
2015	2,079	231	-	2,310	2,079	272	(309)	2,043	8.5%	-	268	268	-	2,310	-	(0)	368	368	-	-	-	881
2016	2,283	213	-	2,496	2,283	255	(322)	2,215	8.5%	-	281	281	-	2,496	-	(0)	252	252	-	-	-	737
2017	2,507	190	-	2,697	2,507	234	(338)	2,403	8.5%	-	294	294	-	2,697	-	(0)	115	115	2	-	2	587
2018	2,706	163	0	2,869	2,706	209	(308)	2,606	8.5%	-	263	263	-	2,869	-	(0)	1	1	88	-	90	456
2019	2,920	134	5	3,058	2,920	185	(278)	2,827	8.5%	-	146	146	-	2,973	(85)	(85)	-	(85)	65	-	155	348
2020	3,151	105	8	3,264	3,151	156	(241)	3,066	8.5%	-	141	141	-	3,207	(56)	(141)	-	(141)	39	-	194	264
2021	3,400	78	10	3,488	3,400	126	(201)	3,326	8.5%	-	138	138	-	3,463	(25)	(166)	-	(166)	12	-	206	201
2022	3,670	57	11	3,737	3,670	98	(160)	3,607	8.5%	-	135	135	-	3,742	4	(162)	-	(162)	-	13	193	155
2023	3,960	42	10	4,012	3,960	74	(122)	3,913	8.5%	-	132	132	-	4,044	32	(130)	-	(130)	-	38	155	122
2024	4,274	31	8	4,314	4,274	55	(86)	4,244	8.5%	-	129	129	-	4,372	59	(72)	-	(72)	-	64	91	97
2025	4,613	24	5	4,642	4,613	40	(50)	4,603	8.5%	-	110	110	-	4,713	72	(0)	16	16	-	91	0	79
	47,531	3,493	59	51,083	47,531	3,867	(3,997)	47,402		336	3,284	3,620	3	51,024	-				251	251		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,157	2,464	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,597		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	88	-	88	1,567
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	0	299	299	-	67	20	1,596
2008	1,064	269	1	1,334	1,064	294	(196)	1,162	8.9%	42	130	172	-	1,334	-	0	358	358	-	20	-	1,612
2009	1,179	280	-	1,459	1,179	296	(209)	1,266	8.9%	42	151	193	-	1,459	-	0	394	394	-	-	-	1,606
2010	1,305	296	-	1,600	1,305	308	(234)	1,378	8.9%	42	180	222	-	1,600	-	0	399	399	-	-	-	1,570
2011	1,442	307	-	1,749	1,442	325	(266)	1,501	8.9%	42	206	248	-	1,749	-	0	375	375	-	-	-	1,503
2012	1,592	308	-	1,900	1,592	338	(295)	1,634	8.9%	42	224	266	-	1,900	-	0	329	329	-	-	-	1,412
2013	1,756	301	-	2,057	1,756	339	(315)	1,779	8.9%	42	235	277	-	2,057	-	0	266	266	-	-	-	1,298
2014	1,935	285	-	2,221	1,935	331	(328)	1,938	8.9%	-	283	283	-	2,221	-	0	150	150	83	-	83	1,166
2015	2,132	267	4	2,403	2,132	319	(340)	2,110	8.9%	-	293	293	-	2,403	-	0	20	20	100	-	182	1,012
2016	2,347	244	10	2,601	2,347	304	(353)	2,298	8.9%	-	178	178	-	2,476	(125)	(125)	-	(125)	112	-	294	846
2017	2,583	218	15	2,817	2,583	286	(367)	2,502	8.9%	-	154	154	-	2,656	(161)	(286)	-	(286)	127	-	421	674
2018	2,789	187	22	2,999	2,789	264	(329)	2,724	8.9%	-	150	150	-	2,874	(125)	(411)	-	(411)	95	-	516	524
2019	3,011	153	27	3,191	3,011	236	(280)	2,967	8.9%	-	145	145	-	3,112	(79)	(490)	-	(490)	54	-	570	400
2020	3,251	120	30	3,400	3,251	202	(222)	3,231	8.9%	-	142	142	-	3,372	(28)	(518)	-	(518)	9	-	579	303
2021	3,510	89	30	3,629	3,510	165	(157)	3,518	8.9%	-	138	138	-	3,656	27	(492)	-	(492)	-	41	538	231
2022	3,789	65	28	3,883	3,789	129	(88)	3,831	8.9%	-	135	135	-	3,965	83	(409)	-	(409)	-	93	445	178
2023	4,091	48	23	4,163	4,091	98	(17)	4,171	8.9%	-	132	132	-	4,303	140	(268)	-	(268)	-	148	296	140
2024	4,417	36	16	4,469	4,417	70	-	4,487	7.6%	-	129	129	-	4,616	147	(121)	-	(121)	-	153	143	112
2025	4,769	27	8	4,804	4,769	48	-	4,817	7.3%	-	108	108	-	4,925	121	0	18	18	-	143	0	90
	48,810	3,991	219	53,020	48,810	4,586	(3,999)	49,397		336	3,225	3,561	3	52,961	-				667	667		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,267	2,501	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,618		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	130	-	130	1,780
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	45	86	1,826
2008	1,068	303	4	1,376	1,068	320	(219)	1,169	9.4%	42	165	207	-	1,376	-	(0)	306	306	-	22	63	1,845
2009	1,188	317	3	1,508	1,188	337	(247)	1,278	9.4%	42	188	230	-	1,508	-	(0)	305	305	-	1	62	1,838
2010	1,319	338	3	1,661	1,319	352	(273)	1,398	9.4%	42	221	263	-	1,661	-	(0)	269	269	27	-	90	1,793
2011	1,462	353	5	1,820	1,462	377	(310)	1,529	9.4%	42	249	291	-	1,820	-	(0)	200	200	52	-	142	1,711
2012	1,619	353	7	1,979	1,619	397	(343)	1,673	9.4%	42	264	306	-	1,979	-	(0)	113	113	66	-	208	1,604
2013	1,791	343	11	2,145	1,791	400	(361)	1,830	9.4%	42	273	315	-	2,145	-	(0)	12	12	74	-	283	1,472
2014	1,979	324	15	2,318	1,979	394	(371)	2,001	9.4%	-	180	180	-	2,181	(137)	(137)	-	(137)	118	-	401	1,320
2015	2,185	303	21	2,509	2,185	380	(376)	2,189	9.4%	-	164	164	-	2,353	(156)	(292)	-	(292)	121	-	521	1,145
2016	2,411	277	27	2,715	2,411	363	(380)	2,394	9.4%	-	159	159	-	2,554	(162)	(454)	-	(454)	124	-	645	956
2017	2,660	247	34	2,940	2,660	342	(382)	2,619	9.4%	-	155	155	-	2,774	(166)	(620)	-	(620)	127	-	773	762
2018	2,872	212	41	3,125	2,872	316	(324)	2,865	9.4%	-	150	150	-	3,015	(110)	(730)	-	(730)	76	-	849	592
2019	3,102	173	45	3,320	3,102	282	(251)	3,133	9.4%	-	146	146	-	3,279	(41)	(771)	-	(771)	13	-	862	452
2020	3,350	135	45	3,531	3,350	241	(164)	3,427	9.4%	-	142	142	-	3,569	39	(732)	-	(732)	-	60	801	343
2021	3,619	101	42	3,762	3,619	195	(65)	3,749	9.4%	-	138	138	-	3,887	126	(607)	-	(607)	-	142	659	261
2022	3,908	74	35	4,017	3,908	149	-	4,058	8.2%	-	135	135	-	4,193	176	(431)	-	(431)	-	187	472	202
2023	4,222	55	25	4,301	4,222	109	-	4,330	6.7%	-	132	132	-	4,462	161	(270)	-	(270)	-	170	302	159
2024	4,560	41	16	4,616	4,560	78	-	4,637	7.1%	-	129	129	-	4,766	150	(120)	-	(120)	-	156	146	127
2025	4,925	31	8	4,964	4,925	53	-	4,978	7.4%	-	106	106	-	5,084	120	(0)	21	21	-	146	0	103
	50,088	4,489	393	54,971	50,088	5,320	(4,065)	51,343		336	3,230	3,566	3	54,911	-				930	930		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,370	2,530	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,629		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	172	-	172	1,989
2007	958	286	9	1,253	958	112	-	1,070	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	38	134	2,071
2008	1,072	338	7	1,417	1,072	323	(219)	1,175	9.9%	42	199	241	-	1,417	-	(0)	274	274	11	-	145	2,093
2009	1,197	355	8	1,559	1,197	380	(285)	1,292	9.9%	42	226	268	-	1,559	-	(0)	238	238	34	-	179	2,084
2010	1,333	383	9	1,726	1,333	400	(314)	1,420	9.9%	42	265	307	-	1,726	-	(0)	159	159	68	-	247	2,029
2011	1,483	403	13	1,898	1,483	436	(359)	1,560	9.9%	42	296	338	-	1,898	-	(0)	45	45	94	-	341	1,930
2012	1,646	400	18	2,064	1,646	463	(394)	1,715	9.9%	42	223	265	-	1,980	(84)	(84)	-	(84)	104	-	445	1,804
2013	1,825	388	23	2,237	1,825	466	(407)	1,884	9.9%	42	174	216	-	2,100	(137)	(221)	-	(221)	106	-	551	1,652
2014	2,022	365	29	2,416	2,022	459	(410)	2,071	9.9%	-	169	169	-	2,240	(175)	(396)	-	(396)	141	-	692	1,479
2015	2,238	340	36	2,614	2,238	441	(403)	2,276	9.9%	-	165	165	-	2,441	(173)	(569)	-	(569)	134	-	826	1,282
2016	2,475	310	43	2,829	2,475	422	(396)	2,501	9.9%	-	160	160	-	2,662	(167)	(736)	-	(736)	124	-	950	1,070
2017	2,736	276	50	3,062	2,736	396	(383)	2,749	9.9%	-	156	156	-	2,905	(157)	(893)	-	(893)	113	-	1,064	852
2018	2,956	237	56	3,249	2,956	365	(299)	3,021	9.9%	-	151	151	-	3,172	(77)	(970)	-	(970)	39	-	1,103	663
2019	3,193	194	58	3,445	3,193	325	(198)	3,320	9.9%	-	147	147	-	3,467	22	(948)	-	(948)	-	53	1,050	506
2020	3,450	151	55	3,656	3,450	274	(75)	3,649	9.9%	-	142	142	-	3,791	135	(813)	-	(813)	-	160	890	384
2021	3,728	113	47	3,887	3,728	217	-	3,945	8.1%	-	139	139	-	4,084	197	(617)	-	(617)	-	215	675	293
2022	4,028	83	35	4,146	4,028	163	-	4,191	6.2%	-	135	135	-	4,326	180	(436)	-	(436)	-	193	482	227
2023	4,352	61	25	4,439	4,352	119	-	4,471	6.7%	-	132	132	-	4,603	164	(272)	-	(272)	-	174	308	178
2024	4,703	46	16	4,764	4,703	85	-	4,788	7.1%	-	129	129	-	4,917	152	(120)	-	(120)	-	160	148	142
2025	5,081	35	8	5,124	5,081	59	-	5,140	7.4%	-	103	103	-	5,243	120	(0)	23	23	-	148	0	115
	51,367	4,986	546	56,899	51,367	6,029	(4,142)	53,254		336	3,248	3,584	3	56,840	-				1,141	1,141		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,471	2,552	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,630		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	214	-	214	2,198
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,249	(6)	(0)	281	281	-	32	182	2,315
2008	1,077	372	10	1,458	1,077	325	(220)	1,182	10.4%	42	234	276	-	1,458	-	(0)	242	242	44	-	226	2,341
2009	1,206	392	12	1,610	1,206	422	(323)	1,306	10.4%	42	262	304	-	1,610	-	(0)	171	171	69	-	295	2,331
2010	1,348	428	15	1,791	1,348	448	(354)	1,442	10.4%	42	307	349	-	1,791	-	(0)	52	52	106	-	401	2,265
2011	1,503	452	21	1,976	1,503	494	(405)	1,593	10.4%	42	236	278	-	1,870	(106)	(106)	-	(106)	134	-	536	2,149
2012	1,673	448	28	2,149	1,673	528	(443)	1,759	10.4%	42	180	222	-	1,981	(168)	(274)	-	(274)	139	-	675	2,004
2013	1,860	433	35	2,329	1,860	532	(449)	1,942	10.4%	42	175	217	-	2,160	(169)	(443)	-	(443)	134	-	810	1,832
2014	2,065	406	43	2,513	2,065	523	(443)	2,145	10.4%	-	171	171	-	2,316	(197)	(641)	-	(641)	159	-	968	1,639
2015	2,291	378	51	2,719	2,291	502	(424)	2,369	10.4%	-	166	166	-	2,535	(184)	(825)	-	(825)	140	-	1,108	1,419
2016	2,539	344	58	2,941	2,539	480	(402)	2,616	10.4%	-	161	161	-	2,778	(163)	(988)	-	(988)	116	-	1,224	1,183
2017	2,812	305	64	3,181	2,812	449	(371)	2,889	10.4%	-	157	157	-	3,046	(135)	(1,123)	-	(1,123)	87	-	1,312	943
2018	3,039	263	69	3,371	3,039	411	(259)	3,191	10.4%	-	152	152	-	3,343	(28)	(1,151)	-	(1,151)	-	14	1,298	733
2019	3,285	214	68	3,567	3,285	364	(124)	3,524	10.4%	-	147	147	-	3,671	104	(1,047)	-	(1,047)	-	139	1,159	560
2020	3,550	167	61	3,778	3,550	303	-	3,853	9.3%	-	143	143	-	3,996	218	(829)	-	(829)	-	245	914	425
2021	3,837	124	48	4,010	3,837	236	-	4,073	5.7%	-	139	139	-	4,212	203	(626)	-	(626)	-	223	691	324
2022	4,147	91	36	4,275	4,147	177	-	4,324	6.2%	-	136	136	-	4,460	185	(441)	-	(441)	-	199	492	251
2023	4,483	68	26	4,576	4,483	129	-	4,612	6.6%	-	132	132	-	4,744	168	(274)	-	(274)	-	178	313	197
2024	4,845	51	16	4,913	4,845	93	-	4,938	7.1%	-	129	129	-	5,067	155	(119)	-	(119)	-	163	151	157
2025	5,237	38	8	5,284	5,237	64	-	5,302	7.4%	-	101	101	-	5,403	119	(0)	25	25	-	151	0	127
	52,646	5,484	681	58,810	52,646	6,719	(4,218)	55,147		336	3,265	3,601	3	58,751	-				1,343	1,343		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,078	2,455	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,620		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	43	-	43	1,343
2007	958	233	2	1,193	958	108	-	1,066	5.0%	42	79	121	0	1,187	(6)	0	332	332	-	43	-	1,348
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	0	398	398	-	-	-	1,316
2009	1,226	242	-	1,468	1,226	258	(230)	1,255	8.5%	42	171	213	-	1,468	-	0	416	416	-	-	-	1,239
2010	1,376	248	-	1,624	1,376	266	(281)	1,361	8.5%	42	221	263	-	1,624	-	0	380	380	-	-	-	1,113
2011	1,538	248	-	1,786	1,538	273	(335)	1,476	8.5%	42	268	310	-	1,786	-	0	294	294	-	-	-	949
2012	1,714	236	-	1,950	1,714	273	(386)	1,601	8.5%	42	307	349	-	1,950	-	0	162	162	-	-	-	765
2013	1,849	209	-	2,059	1,849	259	(372)	1,737	8.5%	42	280	322	-	2,059	-	0	48	48	72	-	72	598
2014	1,996	174	4	2,173	1,996	234	(346)	1,884	8.5%	-	209	209	-	2,093	(80)	(80)	-	(80)	100	-	171	458
2015	2,153	136	9	2,298	2,153	201	(310)	2,044	8.5%	-	157	157	-	2,201	(97)	(177)	-	(177)	75	-	247	348
2016	2,323	102	13	2,439	2,323	164	(270)	2,217	8.5%	-	153	153	-	2,370	(68)	(245)	-	(245)	52	-	298	265
2017	2,507	75	16	2,598	2,507	130	(231)	2,405	8.5%	-	149	149	-	2,555	(44)	(289)	-	(289)	31	-	330	205
2018	2,706	55	17	2,778	2,706	102	(198)	2,609	8.5%	-	146	146	-	2,755	(23)	(312)	-	(312)	15	-	344	161
2019	2,920	41	18	2,979	2,920	81	(170)	2,830	8.5%	-	143	143	-	2,973	(6)	(318)	-	(318)	-	0	344	129
2020	3,151	32	18	3,201	3,151	65	(146)	3,070	8.5%	-	139	139	-	3,210	9	(309)	-	(309)	-	14	330	104
2021	3,400	24	17	3,442	3,400	54	(124)	3,330	8.5%	-	136	136	-	3,467	25	(284)	-	(284)	-	29	301	85
2022	3,670	19	16	3,705	3,670	44	(101)	3,613	8.5%	-	134	134	-	3,746	42	(243)	-	(243)	-	44	257	70
2023	3,960	15	13	3,989	3,960	36	(78)	3,919	8.5%	-	131	131	-	4,050	61	(182)	-	(182)	-	63	194	58
2024	4,274	12	10	4,297	4,274	28	(51)	4,251	8.5%	-	128	128	-	4,379	82	(100)	-	(100)	-	84	110	49
2025	4,613	10	6	4,629	4,613	20	(21)	4,611	8.5%	-	117	117	-	4,729	100	(0)	8	8	-	110	0	41
	48,313	2,570	160	51,043	48,313	2,978	(3,836)	47,455		336	3,191	3,527	3	50,984	-				387	387		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,200	2,471	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,626		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	86	-	86	1,557
2007	958	267	4	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	72	14	1,564
2008	1,096	269	1	1,365	1,096	294	(227)	1,163	8.9%	42	160	202	-	1,365	-	(0)	327	327	-	14	-	1,528
2009	1,243	278	-	1,521	1,243	295	(272)	1,267	8.9%	42	212	254	-	1,521	-	(0)	301	301	-	-	-	1,440
2010	1,402	289	-	1,691	1,402	305	(328)	1,380	8.9%	42	269	311	-	1,691	-	(0)	214	214	45	-	45	1,292
2011	1,575	290	2	1,867	1,575	320	(391)	1,503	8.9%	42	322	364	-	1,867	-	(0)	68	68	107	-	152	1,100
2012	1,763	274	8	2,044	1,763	328	(452)	1,638	8.9%	42	240	282	-	1,920	(125)	(125)	-	(125)	150	-	302	885
2013	1,903	243	16	2,161	1,903	319	(437)	1,784	8.9%	42	167	209	-	1,993	(168)	(293)	-	(293)	130	-	431	691
2014	2,054	201	23	2,277	2,054	292	(402)	1,944	8.9%	-	162	162	-	2,106	(172)	(465)	-	(465)	139	-	571	530
2015	2,217	157	30	2,404	2,217	254	(353)	2,118	8.9%	-	157	157	-	2,275	(129)	(594)	-	(594)	104	-	674	402
2016	2,393	118	35	2,547	2,393	212	(298)	2,307	8.9%	-	153	153	-	2,460	(86)	(680)	-	(680)	67	-	741	307
2017	2,583	87	39	2,709	2,583	173	(243)	2,513	8.9%	-	150	150	-	2,663	(46)	(726)	-	(726)	32	-	773	237
2018	2,789	64	41	2,894	2,789	140	(191)	2,738	8.9%	-	146	146	-	2,884	(10)	(736)	-	(736)	-	1	773	186
2019	3,011	48	41	3,099	3,011	115	(143)	2,983	8.9%	-	143	143	-	3,126	27	(709)	-	(709)	-	34	739	149
2020	3,251	37	39	3,326	3,251	95	(96)	3,250	8.9%	-	140	140	-	3,390	64	(645)	-	(645)	-	69	669	120
2021	3,510	28	35	3,573	3,510	79	(48)	3,541	8.9%	-	137	137	-	3,677	104	(541)	-	(541)	-	109	561	98
2022	3,789	22	29	3,841	3,789	63	-	3,853	8.8%	-	134	134	-	3,986	145	(396)	-	(396)	-	149	412	81
2023	4,091	18	22	4,130	4,091	48	-	4,139	7.4%	-	131	131	-	4,270	140	(256)	-	(256)	-	143	269	67
2024	4,417	14	14	4,445	4,417	35	-	4,452	7.6%	-	128	128	-	4,580	135	(121)	-	(121)	-	137	132	57
2025	4,769	12	7	4,788	4,769	23	-	4,793	7.6%	-	116	116	-	4,909	121	0	10	10	-	132	0	48
	49,703	2,937	386	53,026	49,703	3,626	(3,881)	49,449		336	3,179	3,515	3	52,967	-				859	859		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,311	2,493	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,632		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	128	-	128	1,769
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	50	78	1,790
2008	1,104	303	4	1,411	1,104	319	(253)	1,170	9.5%	42	199	241	-	1,411	-	(0)	272	272	0	-	79	1,751
2009	1,260	314	4	1,579	1,260	337	(316)	1,281	9.5%	42	256	298	-	1,579	-	(0)	203	203	49	-	127	1,650
2010	1,429	331	7	1,766	1,429	353	(379)	1,403	9.5%	42	321	363	-	1,766	-	(0)	65	65	104	-	231	1,480
2011	1,612	334	12	1,958	1,612	377	(452)	1,537	9.5%	42	243	285	-	1,822	(136)	(136)	-	(136)	157	-	388	1,257
2012	1,811	314	20	2,145	1,811	390	(517)	1,683	9.5%	42	173	215	-	1,898	(247)	(384)	-	(384)	198	-	586	1,011
2013	1,956	278	31	2,265	1,956	379	(491)	1,843	9.5%	42	168	210	-	2,053	(212)	(595)	-	(595)	167	-	753	789
2014	2,112	229	40	2,381	2,112	350	(442)	2,019	9.5%	-	163	163	-	2,182	(199)	(794)	-	(794)	162	-	915	605
2015	2,280	180	48	2,508	2,280	305	(374)	2,211	9.5%	-	158	158	-	2,369	(139)	(933)	-	(933)	110	-	1,025	459
2016	2,463	135	54	2,651	2,463	257	(298)	2,422	9.5%	-	154	154	-	2,575	(76)	(1,009)	-	(1,009)	54	-	1,079	350
2017	2,660	99	57	2,815	2,660	210	(218)	2,652	9.5%	-	150	150	-	2,802	(13)	(1,023)	-	(1,023)	-	3	1,077	271
2018	2,872	74	57	3,002	2,872	171	(139)	2,904	9.5%	-	146	146	-	3,051	48	(974)	-	(974)	-	60	1,017	213
2019	3,102	54	53	3,210	3,102	140	(61)	3,181	9.5%	-	143	143	-	3,324	114	(860)	-	(860)	-	122	894	170
2020	3,350	42	47	3,439	3,350	112	-	3,462	8.8%	-	140	140	-	3,602	163	(698)	-	(698)	-	169	725	137
2021	3,619	32	38	3,689	3,619	88	-	3,706	7.1%	-	137	137	-	3,843	154	(543)	-	(543)	-	159	566	112
2022	3,908	26	30	3,964	3,908	68	-	3,977	7.3%	-	134	134	-	4,110	147	(397)	-	(397)	-	151	415	93
2023	4,222	20	22	4,264	4,222	52	-	4,274	7.5%	-	131	131	-	4,405	141	(256)	-	(256)	-	144	271	77
2024	4,560	16	14	4,590	4,560	38	-	4,598	7.6%	-	128	128	-	4,726	136	(120)	-	(120)	-	138	133	65
2025	4,925	13	7	4,946	4,925	26	-	4,951	7.7%	-	115	115	-	5,066	120	(0)	11	11	-	133	0	55
	51,094	3,303	551	54,947	51,094	4,207	(3,942)	51,359		336	3,190	3,526	3	54,888	-				1,129	1,129		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,413	2,510	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,625		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	170	-	170	1,977
2007	958	286	9	1,253	958	112	-	1,069	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	44	126	2,031
2008	1,112	337	7	1,456	1,112	322	(256)	1,178	10.2%	42	236	278	-	1,456	-	(0)	237	237	34	-	160	1,988
2009	1,277	352	8	1,638	1,277	380	(359)	1,298	10.2%	42	298	340	-	1,638	-	(0)	128	128	87	-	247	1,876
2010	1,456	375	13	1,843	1,456	401	(427)	1,430	10.2%	42	313	355	-	1,785	(59)	(59)	-	(59)	148	-	395	1,681
2011	1,649	381	21	2,051	1,649	435	(508)	1,575	10.2%	42	179	221	-	1,797	(254)	(313)	-	(313)	203	-	598	1,425
2012	1,859	357	31	2,248	1,859	454	(578)	1,736	10.2%	42	174	216	-	1,952	(296)	(609)	-	(609)	240	-	838	1,146
2013	2,009	316	44	2,369	2,009	441	(538)	1,912	10.2%	42	169	211	-	2,123	(246)	(855)	-	(855)	195	-	1,033	893
2014	2,170	259	54	2,484	2,170	407	(470)	2,107	10.2%	-	163	163	-	2,270	(214)	(1,068)	-	(1,068)	172	-	1,205	684
2015	2,344	204	63	2,611	2,344	355	(378)	2,321	10.2%	-	159	159	-	2,479	(132)	(1,200)	-	(1,200)	99	-	1,304	519
2016	2,532	152	68	2,753	2,532	299	(275)	2,557	10.2%	-	154	154	-	2,711	(42)	(1,242)	-	(1,242)	17	-	1,321	396
2017	2,736	112	69	2,917	2,736	244	(163)	2,817	10.2%	-	150	150	-	2,967	50	(1,192)	-	(1,192)	-	68	1,253	307
2018	2,956	83	66	3,105	2,956	195	(48)	3,103	10.2%	-	147	147	-	3,250	145	(1,047)	-	(1,047)	-	158	1,095	240
2019	3,193	62	57	3,313	3,193	155	-	3,348	7.9%	-	143	143	-	3,492	179	(868)	-	(868)	-	189	906	192
2020	3,450	47	48	3,545	3,450	120	-	3,570	6.6%	-	140	140	-	3,710	166	(702)	-	(702)	-	173	733	155
2021	3,728	36	38	3,803	3,728	94	-	3,822	7.0%	-	137	137	-	3,959	156	(546)	-	(546)	-	162	572	127
2022	4,028	29	30	4,087	4,028	73	-	4,101	7.3%	-	134	134	-	4,235	148	(398)	-	(398)	-	152	419	105
2023	4,352	23	22	4,397	4,352	56	-	4,408	7.5%	-	131	131	-	4,539	142	(256)	-	(256)	-	145	274	87
2024	4,703	19	14	4,736	4,703	41	-	4,744	7.6%	-	128	128	-	4,872	137	(119)	-	(119)	-	140	134	73
2025	5,081	15	7	5,104	5,081	28	-	5,110	7.7%	-	113	113	-	5,223	119	(0)	12	12	-	134	0	62
	52,484	3,669	671	56,824	52,484	4,739	(4,000)	53,222		336	3,204	3,540	3	56,765	-				1,365	1,365		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,510	2,525	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,614		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	211	-	211	2,185
2007	958	286	11	1,255	958	113	-	1,070	5.4%	42	137	179	0	1,249	(6)	0	281	281	-	38	174	2,272
2008	1,121	371	9	1,501	1,121	325	(259)	1,187	10.9%	42	272	314	-	1,501	-	0	203	203	68	-	242	2,225
2009	1,295	389	13	1,696	1,295	422	(401)	1,316	10.9%	42	338	380	-	1,696	-	0	56	56	123	-	365	2,101
2010	1,482	419	19	1,920	1,482	449	(472)	1,459	10.9%	42	242	284	-	1,743	(177)	(177)	-	(177)	189	-	553	1,882
2011	1,686	429	29	2,143	1,686	492	(560)	1,618	10.9%	42	181	223	-	1,841	(302)	(479)	-	(479)	245	-	798	1,594
2012	1,908	401	42	2,350	1,908	518	(631)	1,794	10.9%	42	175	217	-	2,011	(339)	(818)	-	(818)	276	-	1,074	1,280
2013	2,062	354	56	2,472	2,062	503	(575)	1,989	10.9%	42	170	212	-	2,201	(271)	(1,089)	-	(1,089)	214	-	1,289	998
2014	2,228	290	68	2,585	2,228	463	(486)	2,206	10.9%	-	164	164	-	2,370	(216)	(1,305)	-	(1,305)	169	-	1,458	764
2015	2,408	228	77	2,712	2,408	403	(365)	2,445	10.9%	-	159	159	-	2,605	(107)	(1,412)	-	(1,412)	70	-	1,528	580
2016	2,602	170	80	2,852	2,602	339	(229)	2,711	10.9%	-	155	155	-	2,866	14	(1,398)	-	(1,398)	-	41	1,487	443
2017	2,812	125	78	3,015	2,812	273	(79)	3,006	10.9%	-	151	151	-	3,157	142	(1,256)	-	(1,256)	-	162	1,324	343
2018	3,039	93	70	3,202	3,039	214	-	3,253	8.2%	-	147	147	-	3,399	198	(1,058)	-	(1,058)	-	212	1,112	268
2019	3,285	69	58	3,412	3,285	167	-	3,451	6.1%	-	143	143	-	3,595	183	(875)	-	(875)	-	194	918	214
2020	3,550	52	48	3,650	3,550	129	-	3,679	6.6%	-	140	140	-	3,819	169	(706)	-	(706)	-	177	741	173
2021	3,837	40	39	3,916	3,837	100	-	3,937	7.0%	-	137	137	-	4,074	158	(549)	-	(549)	-	164	577	142
2022	4,147	32	30	4,210	4,147	78	-	4,225	7.3%	-	134	134	-	4,359	149	(399)	-	(399)	-	154	423	117
2023	4,483	26	22	4,531	4,483	60	-	4,543	7.5%	-	131	131	-	4,674	143	(256)	-	(256)	-	147	276	97
2024	4,845	21	14	4,881	4,845	45	-	4,890	7.6%	-	128	128	-	5,018	138	(119)	-	(119)	-	141	135	81
2025	5,237	17	7	5,262	5,237	31	-	5,268	7.7%	-	112	112	-	5,380	119	(0)	14	14	-	135	0	69
	53,874	4,034	771	58,680	53,874	5,247	(4,057)	55,065		336	3,217	3,553	3	58,620	-				1,566	1,566		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,088	2,460	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,631		2025 Ending Surplus / (Deficit)		7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	45	-	45	1,352
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,337
2008	1,030	235	-	1,264	1,030	256	(129)	1,157	8.5%	42	66	108	-	1,264	-	(0)	456	456	-	-	-	1,289
2009	1,365	242	-	1,607	1,365	258	(369)	1,255	8.5%	42	310	352	-	1,607	-	(0)	337	337	-	-	-	1,113
2010	1,473	247	-	1,720	1,473	266	(378)	1,361	8.5%	42	317	359	-	1,720	-	(0)	203	203	-	-	-	924
2011	1,589	241	-	1,829	1,589	272	(384)	1,477	8.5%	42	311	353	-	1,829	-	(0)	66	66	81	-	81	734
2012	1,714	214	4	1,933	1,714	269	(382)	1,602	8.5%	42	235	277	-	1,878	(54)	(54)	-	(54)	86	-	167	561
2013	1,849	171	9	2,029	1,849	245	(357)	1,738	8.5%	42	164	206	-	1,943	(85)	(140)	-	(140)	58	-	224	422
2014	1,996	124	12	2,131	1,996	201	(311)	1,885	8.5%	-	160	160	-	2,045	(87)	(226)	-	(226)	67	-	291	322
2015	2,153	91	15	2,260	2,153	153	(262)	2,045	8.5%	-	156	156	-	2,200	(59)	(286)	-	(286)	45	-	335	249
2016	2,323	67	18	2,409	2,323	120	(225)	2,218	8.5%	-	152	152	-	2,370	(38)	(324)	-	(324)	28	-	363	196
2017	2,507	52	19	2,578	2,507	95	(196)	2,406	8.5%	-	149	149	-	2,555	(23)	(347)	-	(347)	15	-	378	154
2018	2,706	38	20	2,764	2,706	79	(174)	2,610	8.5%	-	145	145	-	2,756	(8)	(356)	-	(356)	2	-	381	125
2019	2,920	29	20	2,969	2,920	64	(152)	2,831	8.5%	-	142	142	-	2,974	5	(351)	-	(351)	-	9	371	102
2020	3,151	24	19	3,194	3,151	53	(133)	3,072	8.5%	-	139	139	-	3,211	17	(334)	-	(334)	-	21	351	84
2021	3,400	18	18	3,437	3,400	46	(115)	3,332	8.5%	-	136	136	-	3,468	31	(303)	-	(303)	-	34	317	70
2022	3,670	15	17	3,701	3,670	39	(94)	3,614	8.5%	-	134	134	-	3,748	47	(256)	-	(256)	-	49	268	59
2023	3,960	12	14	3,987	3,960	32	(71)	3,921	8.5%	-	131	131	-	4,052	65	(191)	-	(191)	-	67	201	49
2024	4,274	10	11	4,295	4,274	25	(46)	4,253	8.5%	-	128	128	-	4,381	86	(105)	-	(105)	-	88	113	41
2025	4,613	8	6	4,627	4,613	18	(17)	4,614	8.5%	-	118	118	-	4,732	105	(0)	7	7	-	113	-	35
	48,541	2,295	204	51,041	48,541	2,726	(3,795)	47,472		336	3,171	3,507	3	50,981	-				425	425		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,213	2,474	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,639		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	88	-	88	1,568
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	76	11	1,551
2008	1,030	269	1	1,299	1,030	294	(161)	1,163	9.0%	42	94	136	-	1,299	-	(0)	394	394	-	11	-	1,497
2009	1,402	278	-	1,680	1,402	296	(430)	1,267	9.0%	42	371	413	-	1,680	-	(0)	211	211	48	-	48	1,295
2010	1,513	287	3	1,803	1,513	309	(441)	1,381	9.0%	42	380	422	-	1,803	-	(0)	11	11	157	-	204	1,075
2011	1,633	281	11	1,925	1,633	328	(457)	1,504	9.0%	42	185	227	-	1,732	(193)	(193)	-	(193)	159	-	364	853
2012	1,763	249	19	2,031	1,763	330	(454)	1,639	9.0%	42	170	212	-	1,851	(180)	(373)	-	(373)	140	-	504	652
2013	1,903	199	26	2,128	1,903	303	(420)	1,786	9.0%	42	165	207	-	1,993	(135)	(508)	-	(508)	103	-	607	491
2014	2,054	144	32	2,229	2,054	253	(361)	1,946	9.0%	-	160	160	-	2,106	(123)	(632)	-	(632)	100	-	707	375
2015	2,217	106	37	2,360	2,217	199	(296)	2,120	9.0%	-	156	156	-	2,276	(84)	(716)	-	(716)	67	-	774	290
2016	2,393	78	41	2,512	2,393	162	(245)	2,310	9.0%	-	152	152	-	2,463	(50)	(765)	-	(765)	37	-	811	227
2017	2,583	60	43	2,686	2,583	133	(199)	2,517	9.0%	-	149	149	-	2,666	(20)	(786)	-	(786)	11	-	821	180
2018	2,789	45	43	2,877	2,789	114	(160)	2,743	9.0%	-	146	146	-	2,888	11	(774)	-	(774)	-	18	803	145
2019	3,011	34	42	3,087	3,011	96	(118)	2,988	9.0%	-	142	142	-	3,131	44	(731)	-	(731)	-	49	754	118
2020	3,251	27	40	3,317	3,251	81	(76)	3,256	9.0%	-	139	139	-	3,395	78	(653)	-	(653)	-	82	672	97
2021	3,510	21	35	3,566	3,510	69	(31)	3,547	9.0%	-	136	136	-	3,684	118	(535)	-	(535)	-	121	551	81
2022	3,789	17	29	3,835	3,789	55	-	3,844	8.4%	-	134	134	-	3,978	143	(393)	-	(393)	-	145	406	68
2023	4,091	15	21	4,127	4,091	43	-	4,134	7.5%	-	131	131	-	4,264	138	(255)	-	(255)	-	140	266	57
2024	4,417	12	14	4,443	4,417	31	-	4,448	7.6%	-	128	128	-	4,577	133	(122)	-	(122)	-	135	131	48
2025	4,769	10	7	4,786	4,769	21	-	4,790	7.7%	-	117	117	-	4,907	122	(0)	8	8	-	131	-	41
	49,964	2,622	447	53,034	49,964	3,350	(3,848)	49,467		336	3,170	3,506	3	52,975	-				909	909		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,324	2,487	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,634		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	130	-	130	1,781
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	55	75	1,776
2008	1,030	303	4	1,336	1,030	319	(178)	1,171	9.6%	42	124	166	-	1,336	-	(0)	346	346	-	75	-	1,716
2009	1,439	315	-	1,754	1,439	333	(490)	1,282	9.6%	42	429	471	-	1,754	-	(0)	104	104	194	-	194	1,488
2010	1,553	329	10	1,893	1,553	358	(506)	1,405	9.6%	42	285	327	-	1,732	(161)	(161)	-	(161)	214	-	408	1,236
2011	1,677	324	21	2,023	1,677	386	(524)	1,539	9.6%	42	176	218	-	1,757	(266)	(427)	-	(427)	214	-	623	980
2012	1,811	286	33	2,130	1,811	392	(517)	1,686	9.6%	42	171	213	-	1,899	(231)	(658)	-	(658)	185	-	808	749
2013	1,956	228	42	2,226	1,956	362	(470)	1,847	9.6%	42	165	207	-	2,055	(171)	(829)	-	(829)	134	-	942	564
2014	2,112	165	49	2,326	2,112	305	(393)	2,024	9.6%	-	161	161	-	2,185	(142)	(971)	-	(971)	115	-	1,057	431
2015	2,280	123	56	2,459	2,280	243	(306)	2,217	9.6%	-	157	157	-	2,374	(85)	(1,056)	-	(1,056)	65	-	1,122	332
2016	2,463	90	59	2,612	2,463	200	(233)	2,429	9.6%	-	153	153	-	2,582	(30)	(1,086)	-	(1,086)	16	-	1,138	261
2017	2,660	69	60	2,788	2,660	165	(163)	2,661	9.6%	-	149	149	-	2,810	22	(1,064)	-	(1,064)	-	33	1,105	206
2018	2,872	52	58	2,982	2,872	140	(97)	2,915	9.6%	-	146	146	-	3,061	79	(985)	-	(985)	-	87	1,018	166
2019	3,102	39	53	3,195	3,102	116	(24)	3,194	9.6%	-	143	143	-	3,336	142	(843)	-	(843)	-	148	870	136
2020	3,350	31	46	3,427	3,350	93	-	3,444	7.8%	-	140	140	-	3,583	156	(687)	-	(687)	-	161	709	112
2021	3,619	24	37	3,680	3,619	75	-	3,694	7.3%	-	137	137	-	3,830	150	(537)	-	(537)	-	154	556	93
2022	3,908	20	29	3,958	3,908	59	-	3,967	7.4%	-	134	134	-	4,101	143	(393)	-	(393)	-	147	409	78
2023	4,222	17	21	4,260	4,222	46	-	4,267	7.6%	-	131	131	-	4,398	138	(255)	-	(255)	-	141	268	65
2024	4,560	14	14	4,588	4,560	34	-	4,594	7.7%	-	128	128	-	4,722	134	(121)	-	(121)	-	136	132	55
2025	4,925	11	7	4,943	4,925	23	-	4,948	7.7%	-	116	116	-	5,064	121	0	9	9	-	132	-	46
	51,387	2,949	607	54,944	51,387	3,883	(3,902)	51,369		336	3,177	3,513	3	54,885	-				1,268	1,268		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,425	2,500	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,624		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	172	-	172	1,990
2007	958	286	9	1,253	958	112	-	1,070	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	50	123	2,015
2008	1,030	337	6	1,373	1,030	322	(172)	1,179	10.2%	42	152	194	-	1,373	-	(0)	321	321	-	53	69	1,950
2009	1,476	353	4	1,832	1,476	375	(551)	1,300	10.2%	42	490	532	-	1,832	-	(0)	19	19	251	-	320	1,695
2010	1,594	373	17	1,984	1,594	406	(567)	1,433	10.2%	42	202	244	-	1,677	(307)	(307)	-	(307)	269	-	589	1,411
2011	1,721	370	31	2,123	1,721	445	(587)	1,580	10.2%	42	177	219	-	1,799	(324)	(631)	-	(631)	265	-	854	1,118
2012	1,859	327	45	2,231	1,859	457	(575)	1,741	10.2%	42	172	214	-	1,955	(276)	(907)	-	(907)	223	-	1,078	854
2013	2,009	260	57	2,326	2,009	421	(510)	1,920	10.2%	42	166	208	-	2,128	(198)	(1,104)	-	(1,104)	155	-	1,233	643
2014	2,170	188	65	2,423	2,170	358	(411)	2,116	10.2%	-	161	161	-	2,278	(145)	(1,249)	-	(1,249)	114	-	1,347	491
2015	2,344	140	71	2,555	2,344	285	(295)	2,333	10.2%	-	157	157	-	2,490	(65)	(1,313)	-	(1,313)	42	-	1,389	379
2016	2,532	103	73	2,708	2,532	234	(195)	2,572	10.2%	-	153	153	-	2,725	17	(1,296)	-	(1,296)	-	34	1,356	297
2017	2,736	78	71	2,885	2,736	191	(92)	2,836	10.2%	-	149	149	-	2,985	100	(1,197)	-	(1,197)	-	112	1,244	235
2018	2,956	59	65	3,080	2,956	158	-	3,114	9.8%	-	146	146	-	3,260	180	(1,017)	-	(1,017)	-	189	1,055	188
2019	3,193	44	55	3,293	3,193	126	-	3,319	6.6%	-	143	143	-	3,462	169	(848)	-	(848)	-	176	879	154
2020	3,450	35	46	3,532	3,450	100	-	3,550	7.0%	-	140	140	-	3,690	158	(690)	-	(690)	-	163	716	127
2021	3,728	28	38	3,793	3,728	80	-	3,808	7.3%	-	137	137	-	3,945	151	(539)	-	(539)	-	156	560	106
2022	4,028	23	29	4,080	4,028	63	-	4,091	7.4%	-	134	134	-	4,224	144	(394)	-	(394)	-	148	412	89
2023	4,352	19	22	4,393	4,352	49	-	4,401	7.6%	-	131	131	-	4,532	139	(255)	-	(255)	-	142	270	74
2024	4,703	16	14	4,733	4,703	37	-	4,739	7.7%	-	128	128	-	4,868	135	(120)	-	(120)	-	137	133	62
2025	5,081	13	7	5,101	5,081	25	-	5,106	7.7%	-	115	115	-	5,222	120	(0)	10	10	-	133	-	52
	52,810	3,276	724	56,810	52,810	4,368	(3,955)	53,223		336	3,189	3,525	3	56,751	-				1,492	1,492		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 11.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,523	2,511	59	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,608		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	214	-	214	2,199
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,249	(6)	(0)	281	281	-	44	170	2,254
2008	1,030	372	9	1,410	1,030	325	(166)	1,188	11.0%	42	180	222	-	1,410	-	(0)	296	296	-	29	141	2,183
2009	1,512	390	7	1,910	1,512	417	(610)	1,319	11.0%	42	486	528	-	1,847	(63)	(63)	-	(63)	302	-	443	1,902
2010	1,634	417	23	2,075	1,634	454	(624)	1,464	11.0%	42	185	227	-	1,691	(383)	(446)	-	(446)	320	-	763	1,585
2011	1,766	416	40	2,222	1,766	503	(643)	1,626	11.0%	42	179	221	-	1,846	(376)	(822)	-	(822)	310	-	1,073	1,256
2012	1,908	367	56	2,331	1,908	520	(623)	1,805	11.0%	42	173	215	-	2,019	(312)	(1,134)	-	(1,134)	253	-	1,326	960
2013	2,062	293	70	2,424	2,062	480	(539)	2,003	11.0%	42	167	209	-	2,212	(211)	(1,345)	-	(1,345)	164	-	1,489	722
2014	2,228	211	78	2,517	2,228	408	(412)	2,224	11.0%	-	162	162	-	2,386	(131)	(1,476)	-	(1,476)	97	-	1,587	552
2015	2,408	158	83	2,649	2,408	324	(263)	2,469	11.0%	-	158	158	-	2,626	(22)	(1,499)	-	(1,499)	-	3	1,584	425
2016	2,602	116	83	2,801	2,602	265	(126)	2,741	11.0%	-	153	153	-	2,894	93	(1,405)	-	(1,405)	-	112	1,472	333
2017	2,812	88	77	2,977	2,812	212	-	3,024	10.4%	-	150	150	-	3,174	197	(1,209)	-	(1,209)	-	211	1,261	263
2018	3,039	66	66	3,172	3,039	170	-	3,209	6.1%	-	146	146	-	3,355	183	(1,025)	-	(1,025)	-	194	1,068	211
2019	3,285	50	56	3,391	3,285	135	-	3,419	6.6%	-	143	143	-	3,562	172	(854)	-	(854)	-	179	888	172
2020	3,550	39	47	3,636	3,550	106	-	3,656	6.9%	-	140	140	-	3,796	160	(694)	-	(694)	-	166	722	142
2021	3,837	31	38	3,906	3,837	85	-	3,922	7.3%	-	137	137	-	4,059	153	(541)	-	(541)	-	158	564	119
2022	4,147	25	30	4,202	4,147	67	-	4,214	7.4%	-	134	134	-	4,348	145	(395)	-	(395)	-	149	415	99
2023	4,483	22	22	4,526	4,483	52	-	4,535	7.6%	-	131	131	-	4,666	140	(256)	-	(256)	-	143	272	83
2024	4,845	18	14	4,878	4,845	39	-	4,885	7.7%	-	128	128	-	5,013	136	(120)	-	(120)	-	138	134	69
2025	5,237	14	7	5,259	5,237	27	-	5,265	7.8%	-	114	114	-	5,379	120	(0)	12	12	-	134	-	59
	54,233	3,602	818	58,653	54,233	4,827	(4,006)	55,054		336	3,201	3,537	3	58,594	-				1,660	1,660		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,075	2,454	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,617		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	43	-	43	1,344
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	43	-	1,362
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	(0)	398	398	-	-	-	1,341
2009	1,170	242	-	1,412	1,170	258	(174)	1,255	8.5%	42	116	158	-	1,412	-	(0)	471	471	-	-	-	1,305
2010	1,376	251	-	1,626	1,376	266	(281)	1,361	8.5%	42	223	265	-	1,626	-	(0)	436	436	-	-	-	1,188
2011	1,482	254	-	1,737	1,482	276	(282)	1,476	8.5%	42	218	260	-	1,737	-	(0)	401	401	-	-	-	1,050
2012	1,714	247	-	1,961	1,714	280	(393)	1,601	8.5%	42	318	360	-	1,961	-	(0)	261	261	-	-	-	859
2013	1,849	227	-	2,076	1,849	272	(385)	1,737	8.5%	42	297	339	-	2,076	-	(0)	134	134	2	-	2	679
2014	1,996	195	0	2,190	1,996	250	(361)	1,884	8.5%	-	296	296	-	2,180	(10)	(10)	-	(10)	113	-	115	523
2015	2,153	156	6	2,315	2,153	221	(330)	2,044	8.5%	-	157	157	-	2,201	(114)	(124)	-	(124)	89	-	204	397
2016	2,323	119	11	2,454	2,323	183	(289)	2,217	8.5%	-	153	153	-	2,370	(83)	(207)	-	(207)	64	-	267	300
2017	2,507	87	14	2,608	2,507	147	(249)	2,405	8.5%	-	149	149	-	2,555	(53)	(261)	-	(261)	39	-	307	230
2018	2,706	64	16	2,786	2,706	113	(210)	2,609	8.5%	-	146	146	-	2,755	(31)	(292)	-	(292)	21	-	328	179
2019	2,920	47	17	2,984	2,920	89	(179)	2,830	8.5%	-	143	143	-	2,973	(11)	(303)	-	(303)	4	-	331	142
2020	3,151	36	17	3,204	3,151	71	(152)	3,070	8.5%	-	140	140	-	3,209	5	(298)	-	(298)	-	11	321	114
2021	3,400	28	17	3,445	3,400	58	(128)	3,330	8.5%	-	137	137	-	3,466	22	(276)	-	(276)	-	26	294	92
2022	3,670	21	15	3,706	3,670	47	(105)	3,612	8.5%	-	134	134	-	3,746	39	(237)	-	(237)	-	43	252	76
2023	3,960	17	13	3,991	3,960	38	(80)	3,918	8.5%	-	131	131	-	4,049	59	(178)	-	(178)	-	61	191	63
2024	4,274	13	10	4,298	4,274	30	(54)	4,250	8.5%	-	128	128	-	4,378	81	(97)	-	(97)	-	83	108	53
2025	4,613	11	6	4,630	4,613	21	(24)	4,610	8.5%	-	117	117	-	4,727	97	0	9	9	-	108	0	44
	48,201	2,705	145	51,051	48,201	3,109	(3,862)	47,448		336	3,205	3,541	3	50,992	-				374	374		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,194	2,469	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,620		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	86	-	86	1,559
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	69	17	1,579
2008	1,096	269	1	1,365	1,096	294	(227)	1,163	8.9%	42	161	203	-	1,365	-	(0)	327	327	-	17	-	1,557
2009	1,179	278	-	1,457	1,179	296	(208)	1,267	8.9%	42	149	191	-	1,457	-	(0)	364	364	-	-	-	1,514
2010	1,402	291	-	1,694	1,402	306	(329)	1,380	8.9%	42	272	314	-	1,694	-	(0)	276	276	-	-	-	1,378
2011	1,511	297	-	1,808	1,511	320	(329)	1,503	8.9%	42	263	305	-	1,808	-	(0)	190	190	53	-	53	1,215
2012	1,763	287	3	2,052	1,763	329	(455)	1,637	8.9%	42	363	405	-	2,042	(10)	(10)	-	(10)	156	-	209	993
2013	1,903	263	11	2,176	1,903	328	(447)	1,784	8.9%	42	167	209	-	1,993	(183)	(193)	-	(193)	142	-	350	785
2014	2,054	225	18	2,297	2,054	309	(420)	1,943	8.9%	-	163	163	-	2,106	(191)	(385)	-	(385)	155	-	505	604
2015	2,217	180	27	2,424	2,217	277	(377)	2,117	8.9%	-	158	158	-	2,275	(149)	(533)	-	(533)	120	-	625	458
2016	2,393	138	33	2,564	2,393	234	(321)	2,306	8.9%	-	154	154	-	2,460	(104)	(637)	-	(637)	82	-	707	346
2017	2,583	100	37	2,720	2,583	192	(264)	2,512	8.9%	-	150	150	-	2,662	(59)	(696)	-	(696)	43	-	749	266
2018	2,789	74	39	2,903	2,789	153	(206)	2,737	8.9%	-	146	146	-	2,883	(20)	(716)	-	(716)	8	-	757	207
2019	3,011	54	40	3,105	3,011	125	(155)	2,981	8.9%	-	143	143	-	3,124	19	(696)	-	(696)	-	28	729	164
2020	3,251	41	38	3,330	3,251	102	(105)	3,247	8.9%	-	140	140	-	3,387	57	(639)	-	(639)	-	63	666	131
2021	3,510	32	35	3,576	3,510	84	(56)	3,538	8.9%	-	137	137	-	3,674	98	(541)	-	(541)	-	103	563	107
2022	3,789	25	30	3,843	3,789	67	(3)	3,854	8.9%	-	134	134	-	3,988	144	(397)	-	(397)	-	148	414	88
2023	4,091	20	22	4,132	4,091	51	-	4,142	7.5%	-	131	131	-	4,273	141	(256)	-	(256)	-	144	271	73
2024	4,417	16	14	4,447	4,417	37	-	4,454	7.5%	-	128	128	-	4,583	136	(121)	-	(121)	-	138	133	61
2025	4,769	13	7	4,789	4,769	25	-	4,794	7.6%	-	115	115	-	4,909	121	(0)	10	10	-	133	0	51
	49,576	3,091	359	53,025	49,576	3,765	(3,900)	49,441		336	3,186	3,522	3	52,966	-				843	843		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,305	2,494	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,628		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	128	-	128	1,771
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	47	82	1,808
2008	1,104	303	4	1,411	1,104	320	(254)	1,170	9.5%	42	199	241	-	1,411	-	(0)	271	271	3	-	85	1,783
2009	1,188	315	4	1,508	1,188	338	(245)	1,281	9.5%	42	185	227	-	1,508	-	(0)	274	274	-	12	73	1,734
2010	1,429	334	4	1,766	1,429	351	(377)	1,403	9.5%	42	322	364	-	1,766	-	(0)	135	135	107	-	180	1,576
2011	1,541	342	9	1,892	1,541	377	(382)	1,536	9.5%	42	314	356	-	1,892	-	(0)	0	0	97	-	277	1,387
2012	1,811	329	15	2,154	1,811	392	(521)	1,682	9.5%	42	174	216	-	1,898	(256)	(256)	-	(256)	206	-	483	1,133
2013	1,956	301	25	2,282	1,956	389	(503)	1,842	9.5%	42	169	211	-	2,052	(230)	(486)	-	(486)	182	-	665	894
2014	2,112	256	35	2,403	2,112	369	(464)	2,017	9.5%	-	163	163	-	2,180	(223)	(709)	-	(709)	182	-	846	688
2015	2,280	206	44	2,530	2,280	331	(403)	2,208	9.5%	-	159	159	-	2,367	(164)	(872)	-	(872)	130	-	977	522
2016	2,463	157	51	2,671	2,463	282	(327)	2,418	9.5%	-	154	154	-	2,572	(99)	(971)	-	(971)	73	-	1,050	395
2017	2,660	114	55	2,828	2,660	233	(245)	2,648	9.5%	-	150	150	-	2,798	(31)	(1,002)	-	(1,002)	12	-	1,062	303
2018	2,872	85	56	3,013	2,872	186	(160)	2,899	9.5%	-	147	147	-	3,046	33	(969)	-	(969)	-	46	1,016	235
2019	3,102	62	53	3,217	3,102	152	(80)	3,174	9.5%	-	143	143	-	3,318	100	(869)	-	(869)	-	110	906	187
2020	3,350	47	48	3,445	3,350	120	-	3,471	9.3%	-	140	140	-	3,611	166	(703)	-	(703)	-	173	733	150
2021	3,619	36	38	3,693	3,619	94	-	3,713	7.0%	-	137	137	-	3,850	156	(547)	-	(547)	-	162	571	122
2022	3,908	28	30	3,967	3,908	73	-	3,981	7.2%	-	134	134	-	4,115	149	(398)	-	(398)	-	153	418	100
2023	4,222	22	22	4,266	4,222	55	-	4,277	7.4%	-	131	131	-	4,408	142	(257)	-	(257)	-	145	273	83
2024	4,560	18	14	4,592	4,560	40	-	4,600	7.6%	-	128	128	-	4,729	137	(120)	-	(120)	-	139	134	69
2025	4,925	14	7	4,947	4,925	27	-	4,953	7.7%	-	114	114	-	5,067	120	(0)	12	12	-	134	0	58
	50,950	3,476	523	54,949	50,950	4,366	(3,962)	51,355		336	3,197	3,533	3	54,890	-				1,121	1,121		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,406	2,512	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,623		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	170	-	170	1,979
2007	958	286	9	1,253	958	112	-	1,069	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	40	130	2,050
2008	1,112	337	7	1,456	1,112	322	(257)	1,178	10.1%	42	236	278	-	1,456	-	(0)	237	237	38	-	168	2,024
2009	1,197	353	9	1,559	1,197	380	(280)	1,297	10.1%	42	220	262	-	1,559	-	(0)	206	206	20	-	188	1,969
2010	1,456	378	10	1,843	1,456	399	(426)	1,429	10.1%	42	373	415	-	1,843	-	(0)	19	19	151	-	339	1,788
2011	1,570	390	18	1,977	1,570	435	(431)	1,574	10.1%	42	199	241	-	1,815	(163)	(163)	-	(163)	138	-	477	1,570
2012	1,859	374	25	2,258	1,859	456	(583)	1,733	10.1%	42	175	217	-	1,950	(308)	(470)	-	(470)	250	-	726	1,280
2013	2,009	341	38	2,388	2,009	453	(553)	1,909	10.1%	42	170	212	-	2,120	(267)	(738)	-	(738)	213	-	940	1,010
2014	2,170	289	49	2,508	2,170	429	(497)	2,102	10.1%	-	164	164	-	2,267	(242)	(980)	-	(980)	195	-	1,135	777
2015	2,344	232	60	2,636	2,344	384	(413)	2,315	10.1%	-	159	159	-	2,475	(161)	(1,141)	-	(1,141)	124	-	1,259	589
2016	2,532	177	66	2,775	2,532	328	(310)	2,550	10.1%	-	155	155	-	2,705	(71)	(1,211)	-	(1,211)	42	-	1,301	446
2017	2,736	128	68	2,932	2,736	270	(197)	2,809	10.1%	-	151	151	-	2,959	27	(1,185)	-	(1,185)	-	47	1,253	343
2018	2,956	96	66	3,117	2,956	213	(76)	3,093	10.1%	-	147	147	-	3,240	123	(1,062)	-	(1,062)	-	138	1,115	266
2019	3,193	70	59	3,322	3,193	170	-	3,363	8.7%	-	143	143	-	3,507	185	(877)	-	(877)	-	196	919	211
2020	3,450	53	48	3,551	3,450	130	-	3,580	6.4%	-	140	140	-	3,720	169	(708)	-	(708)	-	177	742	169
2021	3,728	41	39	3,808	3,728	101	-	3,829	6.9%	-	137	137	-	3,966	158	(550)	-	(550)	-	165	577	138
2022	4,028	32	30	4,090	4,028	78	-	4,106	7.2%	-	134	134	-	4,240	150	(400)	-	(400)	-	155	422	113
2023	4,352	26	22	4,400	4,352	59	-	4,411	7.4%	-	131	131	-	4,543	143	(257)	-	(257)	-	147	276	94
2024	4,703	20	14	4,737	4,703	44	-	4,747	7.6%	-	128	128	-	4,875	138	(119)	-	(119)	-	141	135	78
2025	5,081	16	7	5,105	5,081	30	-	5,111	7.7%	-	113	113	-	5,224	119	-	13	13	-	135	0	66
	52,325	3,861	644	56,830	52,325	4,920	(4,023)	53,221		336	3,211	3,547	3	56,770	-				1,341	1,341		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,504	2,528	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,613		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	212	-	212	2,187
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,249	(6)	(0)	281	281	-	34	178	2,293
2008	1,121	371	9	1,501	1,121	325	(259)	1,186	10.8%	42	273	315	-	1,501	-	(0)	202	202	73	-	250	2,264
2009	1,206	390	13	1,609	1,206	423	(314)	1,315	10.8%	42	253	295	-	1,609	-	(0)	141	141	50	-	300	2,204
2010	1,482	422	16	1,920	1,482	447	(472)	1,457	10.8%	42	328	370	-	1,827	(93)	(93)	-	(93)	193	-	494	2,000
2011	1,599	438	26	2,062	1,599	493	(477)	1,615	10.8%	42	182	224	-	1,839	(224)	(317)	-	(317)	174	-	668	1,753
2012	1,908	419	35	2,362	1,908	520	(639)	1,789	10.8%	42	177	219	-	2,008	(354)	(671)	-	(671)	289	-	957	1,428
2013	2,062	381	50	2,493	2,062	516	(595)	1,983	10.8%	42	171	213	-	2,196	(297)	(969)	-	(969)	237	-	1,194	1,126
2014	2,228	323	63	2,613	2,228	488	(519)	2,197	10.8%	-	165	165	-	2,363	(251)	(1,219)	-	(1,219)	199	-	1,392	866
2015	2,408	259	73	2,740	2,408	435	(408)	2,435	10.8%	-	160	160	-	2,595	(145)	(1,364)	-	(1,364)	103	-	1,495	657
2016	2,602	197	78	2,878	2,602	371	(275)	2,698	10.8%	-	155	155	-	2,854	(24)	(1,388)	-	(1,388)	-	8	1,487	497
2017	2,812	143	78	3,033	2,812	303	(124)	2,990	10.8%	-	151	151	-	3,141	109	(1,279)	-	(1,279)	-	132	1,355	382
2018	3,039	107	71	3,217	3,039	235	-	3,274	9.5%	-	147	147	-	3,422	204	(1,075)	-	(1,075)	-	221	1,134	296
2019	3,285	78	60	3,422	3,285	183	-	3,468	5.9%	-	144	144	-	3,611	189	(885)	-	(885)	-	202	932	235
2020	3,550	59	49	3,658	3,550	140	-	3,690	6.4%	-	140	140	-	3,830	172	(713)	-	(713)	-	181	751	189
2021	3,837	45	39	3,922	3,837	108	-	3,945	6.9%	-	137	137	-	4,082	161	(553)	-	(553)	-	168	583	154
2022	4,147	35	31	4,213	4,147	83	-	4,231	7.2%	-	134	134	-	4,365	152	(401)	-	(401)	-	157	426	126
2023	4,483	29	22	4,534	4,483	64	-	4,546	7.5%	-	131	131	-	4,678	144	(257)	-	(257)	-	148	278	104
2024	4,845	23	15	4,883	4,845	47	-	4,893	7.6%	-	129	129	-	5,021	139	(119)	-	(119)	-	142	136	87
2025	5,237	18	7	5,263	5,237	33	-	5,270	7.7%	-	111	111	-	5,381	119	(0)	15	15	-	136	0	73
	53,699	4,246	747	58,692	53,699	5,452	(4,082)	55,069		336	3,225	3,561	3	58,632	-				1,529	1,529		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,082	2,457	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,625		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	39	-	39	1,325
2007	958	233	2	1,193	958	108	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	(262)	1,157	8.5%	42	198	240	-	1,396	-	(0)	324	324	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	(255)	1,255	8.5%	42	194	236	-	1,491	-	(0)	315	315	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	(250)	1,361	8.5%	42	186	228	-	1,589	-	(0)	311	311	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	(377)	1,476	8.5%	42	304	346	-	1,823	-	(0)	185	185	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	(370)	1,601	8.5%	42	286	328	-	1,930	-	(0)	69	69	66	-	66	678
2013	1,849	188	3	2,041	1,849	241	(353)	1,737	8.5%	42	234	276	-	2,013	(28)	(28)	-	(28)	67	-	133	527
2014	1,996	155	7	2,158	1,996	214	(325)	1,885	8.5%	-	160	160	-	2,045	(113)	(140)	-	(140)	88	-	221	402
2015	2,153	119	12	2,284	2,153	184	(293)	2,044	8.5%	-	156	156	-	2,201	(83)	(224)	-	(224)	64	-	285	306
2016	2,323	88	15	2,426	2,323	147	(253)	2,218	8.5%	-	153	153	-	2,370	(56)	(280)	-	(280)	42	-	327	235
2017	2,507	65	17	2,590	2,507	115	(217)	2,406	8.5%	-	149	149	-	2,555	(35)	(314)	-	(314)	25	-	351	183
2018	2,706	48	18	2,772	2,706	92	(188)	2,610	8.5%	-	146	146	-	2,755	(17)	(331)	-	(331)	9	-	360	145
2019	2,920	37	19	2,975	2,920	74	(162)	2,831	8.5%	-	142	142	-	2,973	(2)	(333)	-	(333)	-	4	357	117
2020	3,151	28	19	3,197	3,151	61	(141)	3,071	8.5%	-	139	139	-	3,210	13	(321)	-	(321)	-	17	340	95
2021	3,400	22	18	3,440	3,400	50	(119)	3,331	8.5%	-	136	136	-	3,468	28	(293)	-	(293)	-	31	309	78
2022	3,670	18	16	3,704	3,670	42	(98)	3,614	8.5%	-	134	134	-	3,747	43	(250)	-	(250)	-	46	262	65
2023	3,960	14	14	3,988	3,960	35	(75)	3,920	8.5%	-	131	131	-	4,051	63	(187)	-	(187)	-	65	198	54
2024	4,274	11	10	4,296	4,274	27	(49)	4,252	8.5%	-	128	128	-	4,380	85	(102)	-	(102)	-	86	112	46
2025	4,613	9	6	4,628	4,613	19	(19)	4,613	8.5%	-	118	118	-	4,731	102	(0)	8	8	-	112	0	39
	48,438	2,419	176	51,034	48,438	2,831	(3,807)	47,462		336	3,174	3,510	3	50,974	-				400	400		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,203	2,476	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,633		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	82	-	82	1,537
2007	958	267	4	1,229	958	109	-	1,067	5.1%	42	113	155	0	1,223	(6)	(0)	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	(312)	1,163	9.0%	42	244	286	-	1,450	-	(0)	243	243	40	-	46	1,442
2009	1,273	274	2	1,550	1,273	297	(302)	1,268	9.0%	42	240	282	-	1,550	-	(0)	187	187	33	-	79	1,331
2010	1,371	279	4	1,655	1,371	306	(296)	1,382	9.0%	42	231	273	-	1,655	-	(0)	136	136	24	-	103	1,193
2011	1,633	273	5	1,912	1,633	313	(441)	1,506	9.0%	42	311	353	-	1,859	(52)	(52)	-	(52)	146	-	249	983
2012	1,763	251	13	2,027	1,763	315	(436)	1,641	9.0%	42	171	213	-	1,854	(173)	(225)	-	(225)	133	-	382	786
2013	1,903	218	20	2,141	1,903	298	(412)	1,789	9.0%	42	166	208	-	1,996	(145)	(370)	-	(370)	110	-	492	611
2014	2,054	180	26	2,259	2,054	268	(373)	1,949	9.0%	-	161	161	-	2,110	(149)	(519)	-	(519)	120	-	612	466
2015	2,217	138	32	2,387	2,217	233	(325)	2,125	9.0%	-	157	157	-	2,281	(106)	(624)	-	(624)	83	-	695	354
2016	2,393	102	36	2,531	2,393	192	(270)	2,315	9.0%	-	153	153	-	2,468	(63)	(687)	-	(687)	46	-	742	273
2017	2,583	75	39	2,698	2,583	155	(214)	2,524	9.0%	-	149	149	-	2,673	(25)	(712)	-	(712)	13	-	754	213
2018	2,789	56	40	2,884	2,789	126	(165)	2,750	9.0%	-	146	146	-	2,896	12	(700)	-	(700)	-	21	734	168
2019	3,011	42	39	3,092	3,011	104	(117)	2,998	9.0%	-	143	143	-	3,140	48	(652)	-	(652)	-	55	679	135
2020	3,251	32	36	3,318	3,251	86	(70)	3,267	9.0%	-	140	140	-	3,407	88	(564)	-	(564)	-	93	586	110
2021	3,510	25	31	3,566	3,510	69	(39)	3,540	8.4%	-	137	137	-	3,676	111	(453)	-	(453)	-	115	471	91
2022	3,789	21	25	3,834	3,789	55	(31)	3,813	7.7%	-	134	134	-	3,947	112	(340)	-	(340)	-	116	355	75
2023	4,091	16	19	4,126	4,091	43	(24)	4,110	7.8%	-	131	131	-	4,241	115	(225)	-	(225)	-	117	238	63
2024	4,417	13	12	4,443	4,417	32	(18)	4,431	7.8%	-	128	128	-	4,559	116	(109)	-	(109)	-	118	119	53
2025	4,769	11	6	4,786	4,769	21	(12)	4,778	7.8%	-	117	117	-	4,895	109	(0)	9	9	-	119	0	45
	49,846	2,764	390	53,000	49,846	3,442	(3,857)	49,431		336	3,171	3,507	3	52,941	-				830	830		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,309	2,497	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,632		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	123	-	123	1,746
2007	958	286	6	1,250	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	(348)	1,172	9.7%	42	292	334	-	1,506	-	(0)	178	178	84	-	153	1,653
2009	1,294	311	8	1,612	1,294	341	(349)	1,285	9.7%	42	285	327	-	1,612	-	(0)	79	79	74	-	227	1,528
2010	1,394	320	12	1,726	1,394	355	(339)	1,410	9.7%	42	260	302	-	1,712	(14)	(14)	-	(14)	61	-	288	1,369
2011	1,677	315	15	2,008	1,677	369	(500)	1,546	9.7%	42	177	219	-	1,765	(242)	(257)	-	(257)	194	-	482	1,126
2012	1,811	288	25	2,124	1,811	375	(490)	1,696	9.7%	42	172	214	-	1,910	(215)	(472)	-	(472)	170	-	652	899
2013	1,956	250	34	2,240	1,956	355	(450)	1,860	9.7%	42	167	209	-	2,069	(171)	(643)	-	(643)	131	-	783	699
2014	2,112	206	41	2,358	2,112	321	(392)	2,040	9.7%	-	162	162	-	2,202	(156)	(799)	-	(799)	123	-	906	533
2015	2,280	158	48	2,486	2,280	278	(321)	2,238	9.7%	-	157	157	-	2,395	(91)	(890)	-	(890)	65	-	971	405
2016	2,463	116	51	2,630	2,463	230	(238)	2,455	9.7%	-	153	153	-	2,608	(22)	(912)	-	(912)	3	-	975	312
2017	2,660	86	51	2,797	2,660	184	(151)	2,692	9.7%	-	150	150	-	2,842	45	(867)	-	(867)	-	59	916	243
2018	2,872	64	48	2,984	2,872	148	(83)	2,937	9.1%	-	146	146	-	3,083	99	(769)	-	(769)	-	109	807	193
2019	3,102	49	42	3,193	3,102	117	(66)	3,153	7.4%	-	143	143	-	3,296	103	(665)	-	(665)	-	111	696	154
2020	3,350	37	37	3,424	3,350	94	(53)	3,392	7.5%	-	140	140	-	3,531	108	(558)	-	(558)	-	113	583	126
2021	3,619	29	31	3,678	3,619	74	(41)	3,651	7.7%	-	137	137	-	3,788	110	(448)	-	(448)	-	114	469	104
2022	3,908	24	25	3,957	3,908	59	(33)	3,934	7.8%	-	134	134	-	4,068	111	(337)	-	(337)	-	115	354	86
2023	4,222	19	19	4,259	4,222	46	(26)	4,242	7.8%	-	131	131	-	4,373	114	(223)	-	(223)	-	117	237	71
2024	4,560	15	12	4,587	4,560	34	(19)	4,575	7.8%	-	128	128	-	4,703	116	(107)	-	(107)	-	118	119	60
2025	4,925	12	6	4,944	4,925	23	(13)	4,935	7.9%	-	115	115	-	5,051	107	(0)	10	10	-	119	0	51
	51,254	3,109	515	54,878	51,254	3,956	(3,913)	51,297		336	3,183	3,519	3	54,819	-				1,029	1,029		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,404	2,511	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,616		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	164	-	164	1,951
2007	958	286	9	1,253	958	112	-	1,069	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	(359)	1,182	10.6%	42	337	379	-	1,562	-	(0)	135	135	125	-	241	1,880
2009	1,315	348	13	1,675	1,315	383	(391)	1,307	10.6%	42	323	365	-	1,672	(3)	(3)	-	(3)	110	-	351	1,740
2010	1,417	363	18	1,799	1,417	403	(375)	1,445	10.6%	42	183	225	-	1,670	(129)	(132)	-	(132)	92	-	443	1,557
2011	1,721	360	23	2,105	1,721	425	(550)	1,597	10.6%	42	178	220	-	1,818	(288)	(420)	-	(420)	232	-	675	1,280
2012	1,859	328	35	2,223	1,859	436	(529)	1,766	10.6%	42	173	215	-	1,981	(243)	(662)	-	(662)	191	-	867	1,021
2013	2,009	285	45	2,339	2,009	411	(468)	1,952	10.6%	42	168	210	-	2,162	(178)	(840)	-	(840)	132	-	998	793
2014	2,170	233	52	2,455	2,170	371	(383)	2,158	10.6%	-	163	163	-	2,320	(135)	(975)	-	(975)	97	-	1,096	605
2015	2,344	180	58	2,581	2,344	320	(278)	2,385	10.6%	-	158	158	-	2,543	(38)	(1,012)	-	(1,012)	9	-	1,104	459
2016	2,532	132	58	2,722	2,532	261	(157)	2,637	10.6%	-	154	154	-	2,791	69	(944)	-	(944)	-	90	1,014	354
2017	2,736	97	53	2,886	2,736	203	(114)	2,825	7.1%	-	150	150	-	2,975	89	(855)	-	(855)	-	104	910	276
2018	2,956	73	48	3,076	2,956	160	(90)	3,026	7.1%	-	146	146	-	3,172	96	(759)	-	(759)	-	107	803	218
2019	3,193	55	42	3,291	3,193	126	(71)	3,249	7.4%	-	143	143	-	3,392	101	(658)	-	(658)	-	110	693	175
2020	3,450	41	36	3,528	3,450	101	(57)	3,494	7.6%	-	140	140	-	3,634	106	(552)	-	(552)	-	113	580	143
2021	3,728	33	30	3,791	3,728	79	(44)	3,763	7.7%	-	137	137	-	3,899	108	(443)	-	(443)	-	113	467	118
2022	4,028	27	25	4,079	4,028	63	(35)	4,055	7.8%	-	134	134	-	4,189	110	(333)	-	(333)	-	114	353	97
2023	4,352	21	19	4,392	4,352	50	(28)	4,374	7.9%	-	131	131	-	4,505	113	(220)	-	(220)	-	116	236	81
2024	4,703	17	12	4,732	4,703	37	(21)	4,719	7.9%	-	128	128	-	4,847	115	(105)	-	(105)	-	118	119	68
2025	5,081	14	6	5,102	5,081	26	(14)	5,093	7.9%	-	114	114	-	5,207	105	0	12	12	-	119	0	58
	52,662	3,453	590	56,705	52,662	4,413	(3,964)	53,111		336	3,196	3,532	3	56,645	-				1,153	1,153		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 11.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,494	2,523	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,594		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	206	-	206	2,156
2007	958	286	11	1,255	958	113	-	1,070	5.4%	42	136	178	0	1,249	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	(369)	1,194	11.6%	42	381	423	-	1,617	-	0	94	94	165	-	327	2,106
2009	1,335	385	17	1,737	1,335	426	(429)	1,332	11.6%	42	283	325	-	1,658	(79)	(79)	-	(79)	142	-	469	1,952
2010	1,440	406	25	1,870	1,440	450	(403)	1,487	11.6%	42	185	227	-	1,714	(157)	(236)	-	(236)	116	-	585	1,746
2011	1,766	406	31	2,202	1,766	481	(587)	1,659	11.6%	42	180	222	-	1,881	(321)	(557)	-	(557)	259	-	844	1,434
2012	1,908	369	44	2,321	1,908	495	(552)	1,851	11.6%	42	174	216	-	2,067	(254)	(811)	-	(811)	196	-	1,040	1,143
2013	2,062	320	55	2,436	2,062	466	(462)	2,065	11.6%	42	169	211	-	2,276	(160)	(971)	-	(971)	109	-	1,149	887
2014	2,228	261	60	2,549	2,228	418	(342)	2,304	11.6%	-	163	163	-	2,468	(81)	(1,053)	-	(1,053)	39	-	1,188	677
2015	2,408	201	62	2,671	2,408	355	(199)	2,563	11.3%	-	159	159	-	2,722	51	(1,002)	-	(1,002)	-	83	1,105	514
2016	2,602	147	58	2,807	2,602	285	(160)	2,727	6.4%	-	154	154	-	2,881	74	(928)	-	(928)	-	98	1,007	395
2017	2,812	109	53	2,974	2,812	220	(124)	2,909	6.7%	-	150	150	-	3,059	85	(843)	-	(843)	-	103	904	309
2018	3,039	82	47	3,168	3,039	172	(96)	3,114	7.1%	-	147	147	-	3,261	93	(750)	-	(750)	-	106	799	244
2019	3,285	62	42	3,388	3,285	136	(76)	3,344	7.4%	-	143	143	-	3,487	99	(651)	-	(651)	-	109	690	195
2020	3,550	46	36	3,632	3,550	108	(61)	3,597	7.6%	-	140	140	-	3,737	105	(546)	-	(546)	-	112	578	160
2021	3,837	36	30	3,904	3,837	84	(47)	3,874	7.7%	-	137	137	-	4,011	107	(439)	-	(439)	-	113	465	132
2022	4,147	30	24	4,202	4,147	67	(38)	4,177	7.8%	-	134	134	-	4,311	109	(330)	-	(330)	-	114	351	109
2023	4,483	24	18	4,525	4,483	53	(30)	4,506	7.9%	-	131	131	-	4,637	112	(217)	-	(217)	-	116	236	91
2024	4,845	19	12	4,877	4,845	40	(22)	4,863	7.9%	-	128	128	-	4,991	114	(103)	-	(103)	-	117	118	76
2025	5,237	16	6	5,259	5,237	28	(16)	5,250	8.0%	-	113	113	-	5,363	103	-	13	13	-	118	0	64
	54,071	3,797	642	58,509	54,071	4,845	(4,013)	54,903		336	3,208	3,544	3	58,450	-				1,231	1,231		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,080	2,457	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,630		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	46	-	46	1,360
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	46	-	1,401
2008	1,030	236	-	1,265	1,030	256	(144)	1,142	7.1%	42	81	123	-	1,265	-	(0)	440	440	-	-	-	1,429
2009	1,107	245	-	1,352	1,107	259	(145)	1,220	6.9%	42	90	132	-	1,352	-	(0)	541	541	-	-	-	1,440
2010	1,349	259	-	1,608	1,349	270	(290)	1,329	8.9%	42	237	279	-	1,608	-	(0)	495	495	-	-	-	1,370
2011	1,453	272	-	1,724	1,453	285	(291)	1,446	8.9%	42	236	278	-	1,724	-	(0)	445	445	-	-	-	1,264
2012	1,565	276	-	1,841	1,565	299	(289)	1,574	8.9%	42	224	266	-	1,841	-	(0)	401	401	-	-	-	1,131
2013	1,849	266	-	2,115	1,849	303	(439)	1,714	8.9%	42	359	401	-	2,115	-	(0)	218	218	-	-	-	926
2014	1,996	241	-	2,237	1,996	292	(422)	1,866	8.9%	-	371	371	-	2,237	-	(0)	12	12	135	-	135	735
2015	2,153	207	7	2,368	2,153	273	(395)	2,031	8.9%	-	171	171	-	2,202	(166)	(166)	-	(166)	144	-	280	569
2016	2,323	172	15	2,510	2,323	244	(357)	2,211	8.9%	-	155	155	-	2,366	(145)	(310)	-	(310)	117	-	396	429
2017	2,507	132	21	2,660	2,507	212	(312)	2,407	8.9%	-	151	151	-	2,558	(102)	(413)	-	(413)	81	-	477	322
2018	2,706	95	25	2,826	2,706	173	(258)	2,620	8.9%	-	147	147	-	2,767	(59)	(472)	-	(472)	44	-	521	245
2019	2,920	69	27	3,016	2,920	135	(202)	2,852	8.9%	-	143	143	-	2,996	(21)	(492)	-	(492)	9	-	530	189
2020	3,151	51	28	3,230	3,151	107	(152)	3,105	8.9%	-	140	140	-	3,245	15	(477)	-	(477)	-	24	507	149
2021	3,400	39	27	3,466	3,400	85	(105)	3,380	8.9%	-	137	137	-	3,517	51	(426)	-	(426)	-	57	449	118
2022	3,670	29	24	3,722	3,670	69	(59)	3,680	8.9%	-	134	134	-	3,814	92	(334)	-	(334)	-	96	353	95
2023	3,960	22	19	4,001	3,960	52	(29)	3,983	8.2%	-	131	131	-	4,114	113	(221)	-	(221)	-	117	237	78
2024	4,274	18	12	4,304	4,274	38	(21)	4,291	7.7%	-	128	128	-	4,419	115	(106)	-	(106)	-	118	119	65
2025	4,613	14	6	4,633	4,613	26	(15)	4,625	7.8%	-	115	115	-	4,739	106	(0)	11	11	-	119	-	54
	47,874	3,098	213	51,185	47,874	3,613	(3,927)	47,560		336	3,228	3,564	3	51,126	-				577	577		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,183	2,469	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,615		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	90	-	90	1,577
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	63	26	1,625
2008	1,030	270	1	1,300	1,030	295	(165)	1,159	8.6%	42	100	142	-	1,300	-	(0)	389	389	-	26	-	1,657
2009	1,107	282	-	1,389	1,107	296	(166)	1,237	6.7%	42	110	152	-	1,389	-	(0)	467	467	-	-	-	1,669
2010	1,371	301	-	1,672	1,371	310	(328)	1,353	9.4%	42	277	319	-	1,672	-	(0)	378	378	-	-	-	1,586
2011	1,478	317	-	1,794	1,478	331	(328)	1,480	9.4%	42	272	314	-	1,794	-	(0)	288	288	4	-	4	1,460
2012	1,592	320	0	1,912	1,592	348	(321)	1,620	9.4%	42	250	292	-	1,912	-	(0)	212	212	45	-	49	1,304
2013	1,903	307	3	2,212	1,903	354	(485)	1,772	9.4%	42	382	424	-	2,196	(17)	(17)	-	(17)	181	-	230	1,066
2014	2,054	278	12	2,343	2,054	351	(466)	1,939	9.4%	-	165	165	-	2,103	(240)	(257)	-	(257)	196	-	426	847
2015	2,217	239	22	2,478	2,217	330	(426)	2,121	9.4%	-	160	160	-	2,281	(198)	(454)	-	(454)	159	-	585	655
2016	2,393	198	31	2,622	2,393	297	(370)	2,320	9.4%	-	155	155	-	2,476	(146)	(601)	-	(601)	114	-	700	494
2017	2,583	152	37	2,772	2,583	258	(303)	2,539	9.4%	-	151	151	-	2,690	(82)	(683)	-	(683)	58	-	757	371
2018	2,789	110	40	2,939	2,789	211	(222)	2,777	9.4%	-	147	147	-	2,924	(14)	(697)	-	(697)	-	4	754	282
2019	3,011	80	40	3,130	3,011	164	(137)	3,038	9.4%	-	144	144	-	3,182	52	(645)	-	(645)	-	65	689	218
2020	3,251	59	36	3,345	3,251	127	(72)	3,307	8.8%	-	140	140	-	3,447	101	(544)	-	(544)	-	111	578	172
2021	3,510	45	30	3,585	3,510	98	(55)	3,552	7.4%	-	137	137	-	3,689	105	(439)	-	(439)	-	112	467	136
2022	3,789	33	25	3,847	3,789	76	(43)	3,823	7.6%	-	134	134	-	3,957	110	(330)	-	(330)	-	115	352	110
2023	4,091	26	18	4,135	4,091	57	(32)	4,116	7.7%	-	131	131	-	4,247	112	(218)	-	(218)	-	116	236	90
2024	4,417	21	12	4,450	4,417	42	(23)	4,435	7.8%	-	128	128	-	4,564	114	(104)	-	(104)	-	117	119	75
2025	4,769	16	6	4,791	4,769	29	(17)	4,782	7.8%	-	113	113	-	4,895	104	0	13	13	-	119	-	63
	49,202	3,540	318	53,060	49,202	4,211	(3,960)	49,453		336	3,209	3,545	3	53,001	-				847	847		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,283	2,491	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,609		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	132	-	132	1,791
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	40	92	1,859
2008	1,030	304	5	1,338	1,030	320	(180)	1,170	9.5%	42	126	168	-	1,338	-	(0)	345	345	-	58	34	1,896
2009	1,107	319	2	1,428	1,107	336	(189)	1,254	7.2%	42	131	173	-	1,428	-	(0)	401	401	-	34	-	1,908
2010	1,394	344	-	1,738	1,394	351	(364)	1,381	10.1%	42	316	358	-	1,738	-	(0)	271	271	91	-	91	1,811
2011	1,502	364	5	1,871	1,502	384	(366)	1,520	10.1%	42	309	351	-	1,871	-	(0)	143	143	99	-	189	1,662
2012	1,619	365	10	1,994	1,619	411	(357)	1,674	10.1%	42	279	321	-	1,994	-	(0)	40	40	67	-	256	1,483
2013	1,956	351	13	2,320	1,956	417	(530)	1,843	10.1%	42	212	254	-	2,097	(223)	(223)	-	(223)	209	-	465	1,211
2014	2,112	316	24	2,452	2,112	413	(496)	2,029	10.1%	-	166	166	-	2,195	(257)	(480)	-	(480)	207	-	673	962
2015	2,280	272	35	2,588	2,280	386	(433)	2,234	10.1%	-	161	161	-	2,395	(193)	(674)	-	(674)	150	-	822	743
2016	2,463	225	43	2,731	2,463	347	(350)	2,459	10.1%	-	156	156	-	2,615	(115)	(789)	-	(789)	79	-	901	561
2017	2,660	172	47	2,879	2,660	299	(251)	2,708	10.1%	-	152	152	-	2,859	(20)	(808)	-	(808)	-	8	893	421
2018	2,872	125	47	3,044	2,872	241	(135)	2,978	10.0%	-	148	148	-	3,125	81	(727)	-	(727)	-	101	791	321
2019	3,102	90	42	3,234	3,102	183	(103)	3,182	6.9%	-	144	144	-	3,326	92	(635)	-	(635)	-	107	685	248
2020	3,350	66	36	3,453	3,350	139	(78)	3,411	7.2%	-	140	140	-	3,552	99	(536)	-	(536)	-	110	575	195
2021	3,619	51	30	3,700	3,619	106	(60)	3,665	7.4%	-	137	137	-	3,802	103	(433)	-	(433)	-	111	464	155
2022	3,908	38	24	3,971	3,908	83	(47)	3,945	7.6%	-	134	134	-	4,079	108	(325)	-	(325)	-	114	350	125
2023	4,222	29	18	4,269	4,222	62	(35)	4,249	7.7%	-	131	131	-	4,380	111	(214)	-	(214)	-	115	235	103
2024	4,560	23	12	4,596	4,560	46	(26)	4,580	7.8%	-	129	129	-	4,708	113	(101)	-	(101)	-	116	118	85
2025	4,925	18	6	4,950	4,925	33	(18)	4,940	7.9%	-	112	112	-	5,051	101	0	14	14	-	118	-	71
	50,529	3,982	408	54,919	50,529	4,791	(4,015)	51,305		336	3,216	3,552	3	54,860	-				1,034	1,034		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 11.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,375	2,515	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,601		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	174	-	174	2,001
2007	958	286	9	1,253	958	112	-	1,070	5.3%	42	136	178	0	1,247	(6)	(0)	280	280	-	33	141	2,107
2008	1,030	338	7	1,375	1,030	323	(181)	1,171	9.5%	42	162	204	-	1,375	-	(0)	312	312	-	23	118	2,150
2009	1,107	357	6	1,470	1,107	379	(213)	1,273	8.7%	42	155	197	-	1,470	-	(0)	347	347	-	32	86	2,162
2010	1,417	390	5	1,811	1,417	398	(402)	1,412	11.0%	42	357	399	-	1,811	-	(0)	176	176	148	-	233	2,049
2011	1,527	415	12	1,954	1,527	442	(402)	1,567	11.0%	42	345	387	-	1,954	-	(0)	14	14	128	-	361	1,876
2012	1,646	414	19	2,079	1,646	477	(384)	1,739	11.0%	42	192	234	-	1,972	(107)	(107)	-	(107)	80	-	441	1,669
2013	2,009	397	23	2,428	2,009	481	(561)	1,929	11.0%	42	173	215	-	2,144	(284)	(391)	-	(391)	223	-	663	1,362
2014	2,170	355	35	2,560	2,170	474	(503)	2,141	11.0%	-	167	167	-	2,308	(252)	(643)	-	(643)	196	-	859	1,081
2015	2,344	306	45	2,695	2,344	441	(409)	2,375	11.0%	-	162	162	-	2,537	(158)	(801)	-	(801)	109	-	968	835
2016	2,532	252	51	2,836	2,532	393	(289)	2,636	11.0%	-	157	157	-	2,793	(43)	(844)	-	(844)	2	-	970	631
2017	2,736	193	51	2,980	2,736	334	(187)	2,882	9.4%	-	152	152	-	3,034	55	(790)	-	(790)	-	86	884	474
2018	2,956	140	46	3,143	2,956	263	(148)	3,071	6.6%	-	148	148	-	3,219	76	(713)	-	(713)	-	99	785	360
2019	3,193	102	41	3,336	3,193	200	(112)	3,281	6.8%	-	144	144	-	3,425	89	(624)	-	(624)	-	105	680	279
2020	3,450	74	36	3,560	3,450	151	(85)	3,517	7.2%	-	141	141	-	3,657	97	(527)	-	(527)	-	109	571	220
2021	3,728	57	30	3,815	3,728	115	(64)	3,778	7.4%	-	137	137	-	3,916	101	(427)	-	(427)	-	110	462	175
2022	4,028	43	24	4,095	4,028	90	(50)	4,067	7.6%	-	134	134	-	4,202	107	(320)	-	(320)	-	113	348	141
2023	4,352	33	18	4,403	4,352	67	(38)	4,382	7.7%	-	131	131	-	4,513	110	(210)	-	(210)	-	115	234	116
2024	4,703	27	12	4,741	4,703	50	(28)	4,724	7.8%	-	129	129	-	4,853	112	(99)	-	(99)	-	116	118	96
2025	5,081	21	6	5,108	5,081	36	(20)	5,097	7.9%	-	110	110	-	5,207	99	0	16	16	-	118	-	80
	51,857	4,423	478	56,757	51,857	5,349	(4,078)	53,129		336	3,231	3,567	3	56,698	-				1,059	1,059		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 12.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,465	2,534	59	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,588		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	217	-	217	2,211
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,250	(6)	(0)	281	281	-	26	190	2,355
2008	1,030	372	10	1,412	1,030	326	(183)	1,172	9.5%	42	198	240	-	1,412	-	(0)	279	279	12	-	202	2,403
2009	1,107	395	11	1,512	1,107	421	(237)	1,292	10.2%	42	178	220	-	1,512	-	(0)	292	292	-	11	191	2,417
2010	1,440	435	10	1,885	1,440	445	(438)	1,447	12.0%	42	396	438	-	1,885	-	(0)	85	85	182	-	373	2,287
2011	1,552	465	20	2,037	1,552	500	(432)	1,620	12.0%	42	269	311	-	1,931	(106)	(106)	-	(106)	151	-	524	2,089
2012	1,673	464	28	2,164	1,673	542	(401)	1,814	12.0%	42	179	221	-	2,036	(129)	(235)	-	(235)	82	-	606	1,856
2013	2,062	442	32	2,536	2,062	545	(575)	2,032	12.0%	42	174	216	-	2,248	(288)	(522)	-	(522)	219	-	825	1,513
2014	2,228	395	43	2,667	2,228	534	(486)	2,276	12.0%	-	168	168	-	2,444	(222)	(744)	-	(744)	160	-	985	1,201
2015	2,408	340	52	2,800	2,408	492	(351)	2,549	12.0%	-	163	163	-	2,712	(88)	(833)	-	(833)	34	-	1,018	928
2016	2,602	280	53	2,936	2,602	433	(243)	2,792	9.5%	-	157	157	-	2,949	14	(819)	-	(819)	-	59	959	700
2017	2,812	214	50	3,076	2,812	364	(204)	2,971	6.4%	-	153	153	-	3,124	48	(771)	-	(771)	-	83	876	527
2018	3,039	156	46	3,241	3,039	286	(160)	3,164	6.5%	-	148	148	-	3,313	72	(699)	-	(699)	-	97	779	400
2019	3,285	113	41	3,439	3,285	217	(122)	3,380	6.8%	-	144	144	-	3,524	86	(613)	-	(613)	-	104	675	310
2020	3,550	82	35	3,668	3,550	163	(92)	3,622	7.2%	-	141	141	-	3,763	95	(519)	-	(519)	-	108	568	244
2021	3,837	63	30	3,930	3,837	124	(69)	3,891	7.4%	-	138	138	-	4,029	99	(420)	-	(420)	-	109	459	194
2022	4,147	47	24	4,219	4,147	96	(54)	4,190	7.7%	-	134	134	-	4,324	105	(315)	-	(315)	-	113	347	157
2023	4,483	37	18	4,538	4,483	72	(40)	4,514	7.8%	-	132	132	-	4,646	108	(207)	-	(207)	-	114	233	129
2024	4,845	30	12	4,887	4,845	54	(30)	4,869	7.9%	-	129	129	-	4,998	111	(96)	-	(96)	-	115	118	106
2025	5,237	23	6	5,267	5,237	39	(22)	5,255	7.9%	-	108	108	-	5,363	96	(0)	18	18	-	118	-	89
	53,185	4,864	532	58,581	53,185	5,891	(4,140)	54,936		336	3,247	3,583	3	58,522	-				1,055	1,055		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,049	2,448	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,602		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	45	-	45	1,351
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,376
2008	1,059	235	-	1,295	1,059	256	(159)	1,157	8.5%	42	96	138	-	1,295	-	(0)	425	425	-	-	-	1,390
2009	1,170	243	-	1,413	1,170	259	(174)	1,254	8.5%	42	117	159	-	1,413	-	(0)	498	498	-	-	-	1,385
2010	1,290	254	-	1,545	1,290	268	(198)	1,361	8.5%	42	142	184	-	1,545	-	(0)	545	545	-	-	-	1,356
2011	1,422	263	-	1,685	1,422	280	(226)	1,476	8.5%	42	167	209	-	1,685	-	(0)	566	566	-	-	-	1,302
2012	1,565	266	-	1,831	1,565	290	(254)	1,601	8.5%	42	188	230	-	1,831	-	(0)	564	564	-	-	-	1,225
2013	1,721	260	-	1,981	1,721	292	(277)	1,736	8.5%	42	203	245	-	1,981	-	(0)	543	543	-	-	-	1,129
2014	1,892	248	-	2,140	1,892	286	(295)	1,883	8.5%	-	257	257	-	2,140	-	(0)	464	464	-	-	-	1,014
2015	2,079	231	-	2,310	2,079	272	(309)	2,043	8.5%	-	268	268	-	2,310	-	(0)	368	368	-	-	-	881
2016	2,283	213	-	2,496	2,283	255	(322)	2,215	8.5%	-	281	281	-	2,496	-	(0)	252	252	-	-	-	737
2017	2,507	190	-	2,697	2,507	234	(338)	2,403	8.5%	-	294	294	-	2,697	-	(0)	115	115	2	-	2	587
2018	2,706	163	0	2,869	2,706	209	(308)	2,606	8.5%	-	263	263	-	2,869	-	(0)	1	1	88	-	90	456
2019	2,920	134	5	3,058	2,920	185	(278)	2,827	8.5%	-	146	146	-	2,973	(85)	(85)	-	(85)	65	-	155	348
2020	3,151	105	8	3,264	3,151	156	(241)	3,066	8.5%	-	141	141	-	3,207	(56)	(141)	-	(141)	39	-	194	264
2021	3,400	78	10	3,488	3,400	126	(201)	3,326	8.5%	-	138	138	-	3,463	(25)	(166)	-	(166)	12	-	206	201
2022	3,670	57	11	3,737	3,670	98	(160)	3,607	8.5%	-	135	135	-	3,742	4	(162)	-	(162)	-	13	193	155
2023	3,960	42	10	4,012	3,960	74	(122)	3,913	8.5%	-	132	132	-	4,044	32	(130)	-	(130)	-	38	155	122
2024	4,274	31	8	4,314	4,274	55	(86)	4,244	8.5%	-	129	129	-	4,372	59	(72)	-	(72)	-	64	91	97
2025	4,613	24	5	4,642	4,613	40	(50)	4,603	8.5%	-	110	110	-	4,713	72	(0)	16	16	-	91	-	79
	47,531	3,493	59	51,083	47,531	3,867	(3,997)	47,402		336	3,284	3,620	3	51,024	-				251	251		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,153	2,464	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,593		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	88	-	88	1,567
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	0	299	299	-	67	20	1,596
2008	1,064	269	1	1,334	1,064	294	(196)	1,163	8.9%	42	129	171	-	1,334	-	0	359	359	-	20	-	1,612
2009	1,179	280	-	1,459	1,179	296	(209)	1,266	8.9%	42	151	193	-	1,459	-	0	395	395	-	-	-	1,606
2010	1,305	296	-	1,600	1,305	308	(233)	1,379	8.9%	42	179	221	-	1,600	-	0	401	401	-	-	-	1,570
2011	1,442	307	-	1,749	1,442	325	(265)	1,502	8.9%	42	205	247	-	1,749	-	0	379	379	-	-	-	1,503
2012	1,592	308	-	1,900	1,592	338	(293)	1,636	8.9%	42	222	264	-	1,900	-	0	335	335	-	-	-	1,412
2013	1,756	301	-	2,057	1,756	339	(313)	1,782	8.9%	42	232	274	-	2,057	-	0	275	275	-	-	-	1,298
2014	1,935	285	-	2,221	1,935	331	(325)	1,941	8.9%	-	279	279	-	2,221	-	0	163	163	70	-	70	1,166
2015	2,132	267	4	2,402	2,132	318	(335)	2,114	8.9%	-	288	288	-	2,402	-	0	38	38	95	-	165	1,012
2016	2,347	244	9	2,600	2,347	303	(347)	2,303	8.9%	-	196	196	-	2,499	(101)	(101)	-	(101)	106	-	271	846
2017	2,583	218	14	2,816	2,583	284	(359)	2,508	8.9%	-	154	154	-	2,662	(154)	(255)	-	(255)	119	-	390	674
2018	2,789	187	20	2,997	2,789	262	(319)	2,732	8.9%	-	150	150	-	2,882	(115)	(370)	-	(370)	85	-	475	524
2019	3,011	153	25	3,189	3,011	234	(269)	2,976	8.9%	-	145	145	-	3,121	(68)	(438)	-	(438)	43	-	518	400
2020	3,251	120	27	3,398	3,251	199	(208)	3,241	8.9%	-	142	142	-	3,383	(15)	(453)	-	(453)	-	5	514	303
2021	3,510	89	27	3,626	3,510	161	(141)	3,530	8.9%	-	138	138	-	3,668	43	(410)	-	(410)	-	57	457	231
2022	3,789	65	24	3,878	3,789	125	(70)	3,844	8.9%	-	135	135	-	3,979	100	(310)	-	(310)	-	111	346	178
2023	4,091	48	18	4,157	4,091	92	(52)	4,131	7.5%	-	132	132	-	4,263	106	(205)	-	(205)	-	113	233	140
2024	4,417	36	12	4,465	4,417	67	(37)	4,446	7.6%	-	129	129	-	4,575	110	(95)	-	(95)	-	115	117	112
2025	4,769	27	6	4,803	4,769	46	(26)	4,789	7.7%	-	108	108	-	4,897	95	0	18	18	-	117	-	90
	48,810	3,991	192	52,993	48,810	4,556	(3,997)	49,369		336	3,226	3,562	3	52,934	-				606	606		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,256	2,498	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,605		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	130	-	130	1,780
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	45	86	1,826
2008	1,068	303	4	1,376	1,068	320	(218)	1,170	9.5%	42	164	206	-	1,376	-	(0)	307	307	-	23	62	1,845
2009	1,188	317	3	1,508	1,188	337	(244)	1,281	9.5%	42	185	227	-	1,508	-	(0)	309	309	-	4	59	1,838
2010	1,319	338	3	1,661	1,319	352	(269)	1,402	9.5%	42	216	258	-	1,661	-	(0)	277	277	23	-	82	1,793
2011	1,462	353	4	1,820	1,462	377	(304)	1,535	9.5%	42	242	284	-	1,820	-	(0)	215	215	46	-	128	1,711
2012	1,619	353	7	1,978	1,619	396	(334)	1,681	9.5%	42	255	297	-	1,978	-	(0)	136	136	57	-	185	1,604
2013	1,791	343	10	2,144	1,791	399	(349)	1,841	9.5%	42	261	303	-	2,144	-	(0)	47	47	62	-	247	1,472
2014	1,979	324	13	2,316	1,979	392	(355)	2,015	9.5%	-	215	215	-	2,230	(86)	(86)	-	(86)	102	-	350	1,320
2015	2,185	303	18	2,506	2,185	377	(355)	2,206	9.5%	-	164	164	-	2,370	(136)	(221)	-	(221)	101	-	450	1,145
2016	2,411	277	24	2,712	2,411	359	(354)	2,416	9.5%	-	159	159	-	2,575	(137)	(358)	-	(358)	99	-	549	956
2017	2,660	247	29	2,935	2,660	336	(351)	2,645	9.5%	-	155	155	-	2,800	(136)	(494)	-	(494)	97	-	646	762
2018	2,872	212	34	3,118	2,872	309	(285)	2,896	9.5%	-	150	150	-	3,046	(72)	(566)	-	(566)	38	-	684	592
2019	3,102	173	36	3,312	3,102	273	(205)	3,171	9.5%	-	146	146	-	3,316	5	(561)	-	(561)	-	33	652	452
2020	3,350	135	34	3,520	3,350	228	(128)	3,451	8.8%	-	142	142	-	3,593	73	(488)	-	(488)	-	95	557	343
2021	3,619	101	29	3,749	3,619	181	(102)	3,698	7.2%	-	138	138	-	3,836	88	(401)	-	(401)	-	104	453	261
2022	3,908	74	24	4,006	3,908	137	(77)	3,969	7.3%	-	135	135	-	4,104	98	(303)	-	(303)	-	109	344	202
2023	4,222	55	18	4,294	4,222	101	(57)	4,266	7.5%	-	132	132	-	4,398	104	(200)	-	(200)	-	112	231	159
2024	4,560	41	12	4,613	4,560	73	(41)	4,592	7.6%	-	129	129	-	4,721	108	(91)	-	(91)	-	115	117	127
2025	4,925	31	6	4,962	4,925	52	(29)	4,948	7.7%	-	106	106	-	5,053	91	(0)	21	21	-	117	-	103
	50,088	4,489	316	54,893	50,088	5,234	(4,057)	51,265		336	3,230	3,566	3	54,834	-				756	756		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,351	2,528	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,608		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	172	-	172	1,989
2007	958	286	9	1,253	958	112	-	1,070	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	38	134	2,071
2008	1,072	338	7	1,417	1,072	323	(217)	1,178	10.1%	42	197	239	-	1,417	-	(0)	276	276	8	-	142	2,093
2009	1,197	355	7	1,559	1,197	379	(279)	1,297	10.1%	42	220	262	-	1,559	-	(0)	246	246	28	-	171	2,084
2010	1,333	383	9	1,726	1,333	400	(305)	1,429	10.1%	42	255	297	-	1,726	-	(0)	177	177	58	-	229	2,029
2011	1,483	403	12	1,897	1,483	435	(344)	1,574	10.1%	42	282	324	-	1,897	-	(0)	78	78	80	-	308	1,930
2012	1,646	400	16	2,062	1,646	461	(374)	1,733	10.1%	42	256	298	-	2,031	(31)	(31)	-	(31)	84	-	392	1,804
2013	1,825	388	21	2,234	1,825	463	(379)	1,909	10.1%	42	174	216	-	2,125	(109)	(140)	-	(140)	79	-	471	1,652
2014	2,022	365	25	2,412	2,022	454	(373)	2,103	10.1%	-	169	169	-	2,272	(139)	(280)	-	(280)	105	-	575	1,479
2015	2,238	340	30	2,608	2,238	435	(357)	2,316	10.1%	-	165	165	-	2,481	(127)	(407)	-	(407)	88	-	663	1,282
2016	2,475	310	35	2,820	2,475	413	(337)	2,551	10.1%	-	160	160	-	2,711	(109)	(516)	-	(516)	67	-	730	1,070
2017	2,736	276	38	3,050	2,736	383	(310)	2,809	10.1%	-	156	156	-	2,965	(85)	(601)	-	(601)	42	-	772	852
2018	2,956	237	41	3,234	2,956	348	(210)	3,094	10.1%	-	151	151	-	3,245	11	(590)	-	(590)	-	49	722	663
2019	3,193	194	38	3,425	3,193	303	(170)	3,326	7.5%	-	147	147	-	3,473	48	(542)	-	(542)	-	79	643	506
2020	3,450	151	34	3,635	3,450	250	(141)	3,560	7.0%	-	142	142	-	3,703	68	(474)	-	(474)	-	92	551	384
2021	3,728	113	29	3,870	3,728	198	(111)	3,815	7.1%	-	139	139	-	3,953	84	(390)	-	(390)	-	102	449	293
2022	4,028	83	24	4,134	4,028	150	(84)	4,094	7.3%	-	135	135	-	4,229	95	(296)	-	(296)	-	108	341	227
2023	4,352	61	18	4,431	4,352	111	(62)	4,401	7.5%	-	132	132	-	4,533	101	(194)	-	(194)	-	111	230	178
2024	4,703	46	12	4,760	4,703	81	(45)	4,738	7.7%	-	129	129	-	4,867	107	(88)	-	(88)	-	114	116	142
2025	5,081	35	6	5,122	5,081	57	(32)	5,106	7.8%	-	103	103	-	5,210	88	(0)	23	23	-	116	-	115
	51,367	4,986	410	56,763	51,367	5,880	(4,129)	53,118		336	3,248	3,584	3	56,704	-				810	810		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,442	2,550	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,600		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	214	-	214	2,198
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,249	(6)	(0)	281	281	-	32	182	2,315
2008	1,077	372	10	1,458	1,077	325	(215)	1,187	10.9%	42	229	271	-	1,458	-	(0)	247	247	39	-	222	2,341
2009	1,206	392	12	1,610	1,206	422	(312)	1,316	10.9%	42	252	294	-	1,610	-	(0)	186	186	58	-	280	2,331
2010	1,348	428	15	1,791	1,348	448	(336)	1,459	10.9%	42	290	332	-	1,791	-	(0)	85	85	88	-	368	2,265
2011	1,503	452	19	1,975	1,503	492	(378)	1,618	10.9%	42	269	311	-	1,929	(46)	(46)	-	(46)	108	-	476	2,149
2012	1,673	448	25	2,146	1,673	525	(404)	1,794	10.9%	42	180	222	-	2,016	(130)	(176)	-	(176)	101	-	577	2,004
2013	1,860	433	30	2,324	1,860	526	(397)	1,989	10.9%	42	175	217	-	2,206	(117)	(294)	-	(294)	83	-	660	1,832
2014	2,065	406	35	2,506	2,065	515	(375)	2,205	10.9%	-	171	171	-	2,376	(130)	(424)	-	(424)	91	-	751	1,639
2015	2,291	378	39	2,708	2,291	490	(336)	2,445	10.9%	-	166	166	-	2,611	(97)	(521)	-	(521)	53	-	804	1,419
2016	2,539	344	42	2,925	2,539	462	(291)	2,710	10.9%	-	161	161	-	2,872	(53)	(574)	-	(574)	6	-	810	1,183
2017	2,812	305	43	3,160	2,812	425	(239)	2,998	10.6%	-	157	157	-	3,155	(5)	(579)	-	(579)	-	43	767	943
2018	3,039	263	40	3,342	3,039	380	(213)	3,206	6.9%	-	152	152	-	3,357	15	(563)	-	(563)	-	57	710	733
2019	3,285	214	37	3,536	3,285	330	(185)	3,429	7.0%	-	147	147	-	3,576	40	(523)	-	(523)	-	75	635	560
2020	3,550	167	33	3,750	3,550	273	(153)	3,670	7.0%	-	143	143	-	3,813	62	(461)	-	(461)	-	89	546	425
2021	3,837	124	29	3,990	3,837	215	(121)	3,931	7.1%	-	139	139	-	4,070	80	(380)	-	(380)	-	100	445	324
2022	4,147	91	23	4,262	4,147	163	(91)	4,219	7.3%	-	136	136	-	4,354	92	(288)	-	(288)	-	107	338	251
2023	4,483	68	18	4,568	4,483	120	(67)	4,535	7.5%	-	132	132	-	4,668	99	(189)	-	(189)	-	110	228	197
2024	4,845	51	12	4,908	4,845	88	(49)	4,884	7.7%	-	129	129	-	5,013	105	(84)	-	(84)	-	113	115	157
2025	5,237	38	6	5,282	5,237	62	(35)	5,265	7.8%	-	101	101	-	5,366	84	0	25	25	-	115	-	127
	52,646	5,484	479	58,609	52,646	6,497	(4,198)	54,945		336	3,265	3,601	3	58,549	-				842	842		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,078	2,455	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,620		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	43	-	43	1,343
2007	958	233	2	1,193	958	108	-	1,066	5.0%	42	79	121	0	1,187	(6)	0	332	332	-	43	-	1,348
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	0	398	398	-	-	-	1,316
2009	1,226	242	-	1,468	1,226	258	(230)	1,255	8.5%	42	171	213	-	1,468	-	0	416	416	-	-	-	1,239
2010	1,376	248	-	1,624	1,376	266	(281)	1,361	8.5%	42	221	263	-	1,624	-	0	380	380	-	-	-	1,113
2011	1,538	248	-	1,786	1,538	273	(335)	1,476	8.5%	42	268	310	-	1,786	-	0	294	294	-	-	-	949
2012	1,714	236	-	1,950	1,714	273	(386)	1,601	8.5%	42	307	349	-	1,950	-	0	162	162	-	-	-	765
2013	1,849	209	-	2,059	1,849	259	(372)	1,737	8.5%	42	280	322	-	2,059	-	0	48	48	72	-	72	598
2014	1,996	174	4	2,173	1,996	234	(346)	1,884	8.5%	-	209	209	-	2,093	(80)	(80)	-	(80)	100	-	171	458
2015	2,153	136	9	2,298	2,153	201	(310)	2,044	8.5%	-	157	157	-	2,201	(97)	(177)	-	(177)	75	-	247	348
2016	2,323	102	13	2,439	2,323	164	(270)	2,217	8.5%	-	153	153	-	2,370	(68)	(245)	-	(245)	52	-	298	265
2017	2,507	75	16	2,598	2,507	130	(231)	2,405	8.5%	-	149	149	-	2,555	(44)	(289)	-	(289)	31	-	330	205
2018	2,706	55	17	2,778	2,706	102	(198)	2,609	8.5%	-	146	146	-	2,755	(23)	(312)	-	(312)	15	-	344	161
2019	2,920	41	18	2,979	2,920	81	(170)	2,830	8.5%	-	143	143	-	2,973	(6)	(318)	-	(318)	-	0	344	129
2020	3,151	32	18	3,201	3,151	65	(146)	3,070	8.5%	-	139	139	-	3,210	9	(309)	-	(309)	-	14	330	104
2021	3,400	24	17	3,442	3,400	54	(124)	3,330	8.5%	-	136	136	-	3,467	25	(284)	-	(284)	-	29	301	85
2022	3,670	19	16	3,705	3,670	44	(101)	3,613	8.5%	-	134	134	-	3,746	42	(243)	-	(243)	-	44	257	70
2023	3,960	15	13	3,989	3,960	36	(78)	3,919	8.5%	-	131	131	-	4,050	61	(182)	-	(182)	-	63	194	58
2024	4,274	12	10	4,297	4,274	28	(51)	4,251	8.5%	-	128	128	-	4,379	82	(100)	-	(100)	-	84	110	49
2025	4,613	10	6	4,629	4,613	20	(21)	4,611	8.5%	-	117	117	-	4,729	100	0	8	8	-	110	0	41
	48,313	2,570	160	51,043	48,313	2,978	(3,836)	47,455		336	3,191	3,527	3	50,984	-				387	387		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,196	2,471	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,623		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	86	-	86	1,557
2007	958	267	4	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	72	14	1,564
2008	1,096	269	1	1,365	1,096	294	(227)	1,163	9.0%	42	160	202	-	1,365	-	(0)	328	328	-	14	-	1,528
2009	1,243	278	-	1,521	1,243	295	(271)	1,268	9.0%	42	211	253	-	1,521	-	(0)	302	302	-	-	-	1,440
2010	1,402	289	-	1,691	1,402	305	(326)	1,381	9.0%	42	268	310	-	1,691	-	(0)	216	216	42	-	42	1,292
2011	1,575	290	2	1,867	1,575	320	(389)	1,505	9.0%	42	319	361	-	1,867	-	(0)	73	73	105	-	147	1,100
2012	1,763	274	8	2,044	1,763	327	(449)	1,641	9.0%	42	245	287	-	1,927	(117)	(117)	-	(117)	147	-	294	885
2013	1,903	243	15	2,161	1,903	318	(433)	1,788	9.0%	42	167	209	-	1,996	(165)	(282)	-	(282)	126	-	420	691
2014	2,054	201	22	2,277	2,054	292	(397)	1,948	9.0%	-	162	162	-	2,110	(167)	(448)	-	(448)	134	-	554	530
2015	2,217	157	29	2,403	2,217	253	(347)	2,123	9.0%	-	157	157	-	2,281	(123)	(571)	-	(571)	97	-	651	402
2016	2,393	118	34	2,545	2,393	211	(290)	2,314	9.0%	-	153	153	-	2,467	(78)	(649)	-	(649)	59	-	710	307
2017	2,583	87	37	2,708	2,583	171	(233)	2,522	9.0%	-	150	150	-	2,671	(36)	(685)	-	(685)	22	-	733	237
2018	2,789	64	38	2,892	2,789	138	(179)	2,748	9.0%	-	146	146	-	2,894	2	(683)	-	(683)	-	13	720	186
2019	3,011	48	38	3,096	3,011	112	(128)	2,995	9.0%	-	143	143	-	3,138	41	(642)	-	(642)	-	49	671	149
2020	3,251	37	35	3,322	3,251	91	(78)	3,264	9.0%	-	140	140	-	3,403	81	(561)	-	(561)	-	87	585	120
2021	3,510	28	31	3,568	3,510	74	(42)	3,542	8.5%	-	137	137	-	3,679	110	(450)	-	(450)	-	114	470	98
2022	3,789	22	25	3,836	3,789	58	(33)	3,815	7.7%	-	134	134	-	3,948	112	(338)	-	(338)	-	116	355	81
2023	4,091	18	19	4,127	4,091	45	(25)	4,111	7.8%	-	131	131	-	4,242	114	(224)	-	(224)	-	117	238	67
2024	4,417	14	12	4,444	4,417	33	(19)	4,432	7.8%	-	128	128	-	4,560	116	(108)	-	(108)	-	118	119	57
2025	4,769	12	6	4,787	4,769	23	(13)	4,779	7.8%	-	116	116	-	4,895	108	(0)	10	10	-	119	0	48
	49,703	2,937	357	52,998	49,703	3,595	(3,878)	49,421		336	3,179	3,515	3	52,938	-				818	818		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,302	2,493	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,622		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	128	-	128	1,769
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	50	78	1,790
2008	1,104	303	4	1,411	1,104	319	(252)	1,172	9.7%	42	197	239	-	1,411	-	(0)	273	273	-	1	77	1,751
2009	1,260	314	4	1,579	1,260	337	(313)	1,285	9.7%	42	252	294	-	1,579	-	(0)	208	208	45	-	122	1,650
2010	1,429	331	6	1,766	1,429	353	(373)	1,409	9.7%	42	315	357	-	1,766	-	(0)	75	75	98	-	221	1,480
2011	1,612	334	12	1,957	1,612	376	(443)	1,545	9.7%	42	253	295	-	1,840	(118)	(118)	-	(118)	148	-	369	1,257
2012	1,811	314	19	2,144	1,811	389	(506)	1,694	9.7%	42	173	215	-	1,909	(236)	(353)	-	(353)	187	-	556	1,011
2013	1,956	278	29	2,263	1,956	377	(476)	1,857	9.7%	42	168	210	-	2,067	(196)	(549)	-	(549)	152	-	707	789
2014	2,112	229	37	2,378	2,112	347	(422)	2,037	9.7%	-	163	163	-	2,199	(179)	(728)	-	(728)	142	-	849	605
2015	2,280	180	45	2,505	2,280	301	(348)	2,234	9.7%	-	158	158	-	2,391	(113)	(841)	-	(841)	84	-	933	459
2016	2,463	135	49	2,646	2,463	252	(265)	2,449	9.7%	-	154	154	-	2,603	(43)	(885)	-	(885)	22	-	955	350
2017	2,660	99	50	2,809	2,660	203	(177)	2,686	9.7%	-	150	150	-	2,836	27	(858)	-	(858)	-	43	912	271
2018	2,872	74	48	2,994	2,872	162	(91)	2,943	9.6%	-	146	146	-	3,089	96	(762)	-	(762)	-	107	805	213
2019	3,102	54	42	3,199	3,102	127	(72)	3,158	7.3%	-	143	143	-	3,301	102	(660)	-	(660)	-	111	694	170
2020	3,350	42	36	3,428	3,350	100	(56)	3,394	7.5%	-	140	140	-	3,534	106	(554)	-	(554)	-	112	582	137
2021	3,619	32	31	3,681	3,619	79	(45)	3,653	7.6%	-	137	137	-	3,790	109	(446)	-	(446)	-	114	468	112
2022	3,908	26	25	3,959	3,908	62	(35)	3,936	7.7%	-	134	134	-	4,070	111	(335)	-	(335)	-	115	353	93
2023	4,222	20	19	4,261	4,222	49	(27)	4,243	7.8%	-	131	131	-	4,374	113	(221)	-	(221)	-	116	237	77
2024	4,560	16	12	4,589	4,560	36	(20)	4,576	7.8%	-	128	128	-	4,704	115	(106)	-	(106)	-	118	119	65
2025	4,925	13	6	4,945	4,925	25	(14)	4,936	7.9%	-	115	115	-	5,051	106	(0)	11	11	-	119	0	55
	51,094	3,303	481	54,878	51,094	4,131	(3,935)	51,290		336	3,190	3,526	3	54,819	-				1,006	1,006		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,396	2,509	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,608		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	170	-	170	1,977
2007	958	286	9	1,253	958	112	-	1,069	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	44	126	2,031
2008	1,112	337	7	1,456	1,112	322	(253)	1,182	10.5%	42	232	274	-	1,456	-	(0)	241	241	31	-	157	1,988
2009	1,277	352	8	1,638	1,277	380	(351)	1,306	10.5%	42	290	332	-	1,638	-	(0)	140	140	79	-	235	1,876
2010	1,456	375	12	1,843	1,456	401	(413)	1,443	10.5%	42	324	366	-	1,809	(33)	(33)	-	(33)	134	-	370	1,681
2011	1,649	381	19	2,049	1,649	434	(488)	1,595	10.5%	42	179	221	-	1,816	(233)	(267)	-	(267)	182	-	552	1,425
2012	1,859	357	29	2,246	1,859	451	(549)	1,762	10.5%	42	174	216	-	1,978	(267)	(534)	-	(534)	211	-	763	1,146
2013	2,009	316	40	2,365	2,009	437	(498)	1,947	10.5%	42	169	211	-	2,158	(207)	(741)	-	(741)	156	-	920	893
2014	2,170	259	48	2,478	2,170	401	(419)	2,152	10.5%	-	163	163	-	2,315	(162)	(904)	-	(904)	121	-	1,041	684
2015	2,344	204	55	2,602	2,344	346	(312)	2,378	10.5%	-	159	159	-	2,536	(66)	(970)	-	(970)	33	-	1,074	519
2016	2,532	152	56	2,741	2,532	286	(191)	2,627	10.5%	-	154	154	-	2,782	41	(929)	-	(929)	-	65	1,008	396
2017	2,736	112	53	2,900	2,736	226	(127)	2,835	7.9%	-	150	150	-	2,985	85	(845)	-	(845)	-	103	906	307
2018	2,956	83	48	3,087	2,956	175	(98)	3,033	7.0%	-	147	147	-	3,179	92	(752)	-	(752)	-	106	800	240
2019	3,193	62	42	3,297	3,193	138	(77)	3,254	7.3%	-	143	143	-	3,397	100	(652)	-	(652)	-	110	691	192
2020	3,450	47	36	3,533	3,450	108	(60)	3,498	7.5%	-	140	140	-	3,637	104	(548)	-	(548)	-	111	579	155
2021	3,728	36	30	3,795	3,728	85	(48)	3,765	7.7%	-	137	137	-	3,902	107	(441)	-	(441)	-	113	466	127
2022	4,028	29	24	4,081	4,028	67	(38)	4,057	7.8%	-	134	134	-	4,191	110	(331)	-	(331)	-	114	352	105
2023	4,352	23	18	4,394	4,352	52	(29)	4,375	7.8%	-	131	131	-	4,506	112	(218)	-	(218)	-	116	236	87
2024	4,703	19	12	4,734	4,703	39	(22)	4,720	7.9%	-	128	128	-	4,848	114	(104)	-	(104)	-	117	119	73
2025	5,081	15	6	5,103	5,081	27	(15)	5,093	7.9%	-	113	113	-	5,207	104	0	12	12	-	119	0	62
	52,484	3,669	555	56,707	52,484	4,611	(3,989)	53,106		336	3,204	3,540	3	56,648	-				1,117	1,117		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 11.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,486	2,524	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,588		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	211	-	211	2,185
2007	958	286	11	1,255	958	113	-	1,070	5.4%	42	137	179	0	1,249	(6)	0	281	281	-	38	174	2,272
2008	1,121	371	9	1,501	1,121	325	(252)	1,193	11.5%	42	266	308	-	1,501	-	0	210	210	62	-	235	2,225
2009	1,295	389	12	1,696	1,295	422	(386)	1,331	11.5%	42	324	366	-	1,696	-	0	77	77	108	-	343	2,101
2010	1,482	419	18	1,919	1,482	448	(447)	1,483	11.5%	42	263	305	-	1,788	(130)	(130)	-	(130)	163	-	507	1,882
2011	1,686	429	27	2,141	1,686	490	(522)	1,654	11.5%	42	181	223	-	1,877	(264)	(394)	-	(394)	207	-	713	1,594
2012	1,908	401	37	2,346	1,908	513	(577)	1,844	11.5%	42	175	217	-	2,061	(285)	(679)	-	(679)	222	-	935	1,280
2013	2,062	354	49	2,464	2,062	495	(501)	2,055	11.5%	42	170	212	-	2,267	(197)	(877)	-	(877)	141	-	1,076	998
2014	2,228	290	57	2,574	2,228	451	(388)	2,291	11.5%	-	164	164	-	2,456	(118)	(995)	-	(995)	72	-	1,148	764
2015	2,408	228	60	2,696	2,408	385	(238)	2,555	11.5%	-	159	159	-	2,714	18	(977)	-	(977)	-	55	1,093	580
2016	2,602	170	57	2,829	2,602	314	(176)	2,739	7.2%	-	155	155	-	2,894	65	(912)	-	(912)	-	92	1,001	443
2017	2,812	125	53	2,989	2,812	245	(137)	2,919	6.6%	-	151	151	-	3,070	81	(831)	-	(831)	-	101	900	343
2018	3,039	93	47	3,180	3,039	189	(106)	3,122	6.9%	-	147	147	-	3,269	89	(742)	-	(742)	-	104	796	268
2019	3,285	69	42	3,395	3,285	149	(83)	3,350	7.3%	-	143	143	-	3,493	98	(644)	-	(644)	-	109	687	214
2020	3,550	52	36	3,638	3,550	116	(65)	3,601	7.5%	-	140	140	-	3,741	103	(542)	-	(542)	-	111	576	173
2021	3,837	40	30	3,908	3,837	91	(51)	3,877	7.7%	-	137	137	-	4,014	106	(435)	-	(435)	-	112	464	142
2022	4,147	32	24	4,204	4,147	71	(40)	4,179	7.8%	-	134	134	-	4,313	109	(327)	-	(327)	-	114	350	117
2023	4,483	26	18	4,527	4,483	56	(31)	4,507	7.9%	-	131	131	-	4,638	111	(216)	-	(216)	-	115	235	97
2024	4,845	21	12	4,879	4,845	42	(24)	4,864	7.9%	-	128	128	-	4,992	114	(102)	-	(102)	-	117	118	81
2025	5,237	17	6	5,261	5,237	30	(17)	5,251	7.9%	-	112	112	-	5,363	102	(0)	14	14	-	118	0	69
	53,874	4,034	607	58,516	53,874	5,067	(4,041)	54,901		336	3,217	3,553	3	58,456	-				1,186	1,186		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,097	2,462	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,643		2025 Ending Surplus / (Deficit)		7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	45	-	45	1,352
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,337
2008	1,030	235	-	1,264	1,030	256	(144)	1,142	7.1%	42	81	123	-	1,264	-	(0)	441	441	-	-	-	1,289
2009	1,365	242	-	1,607	1,365	258	(383)	1,241	8.6%	42	324	366	-	1,607	-	(0)	307	307	-	-	-	1,113
2010	1,473	247	-	1,720	1,473	266	(391)	1,348	8.6%	42	330	372	-	1,720	-	(0)	159	159	26	-	26	924
2011	1,589	241	1	1,831	1,589	274	(398)	1,464	8.6%	42	325	367	-	1,831	-	(0)	8	8	113	-	139	734
2012	1,714	214	7	1,936	1,714	273	(396)	1,591	8.6%	42	176	218	-	1,809	(127)	(127)	-	(127)	100	-	239	561
2013	1,849	171	13	2,033	1,849	250	(371)	1,728	8.6%	42	164	206	-	1,934	(98)	(225)	-	(225)	71	-	310	422
2014	1,996	124	16	2,136	1,996	205	(324)	1,877	8.6%	-	160	160	-	2,037	(99)	(324)	-	(324)	79	-	388	322
2015	2,153	91	20	2,265	2,153	159	(272)	2,040	8.6%	-	156	156	-	2,195	(70)	(394)	-	(394)	55	-	443	249
2016	2,323	67	23	2,414	2,323	126	(234)	2,216	8.6%	-	152	152	-	2,368	(46)	(440)	-	(440)	36	-	479	196
2017	2,507	52	25	2,584	2,507	102	(202)	2,407	8.6%	-	149	149	-	2,556	(28)	(468)	-	(468)	20	-	499	154
2018	2,706	38	26	2,770	2,706	86	(176)	2,615	8.6%	-	145	145	-	2,761	(9)	(478)	-	(478)	4	-	503	125
2019	2,920	29	26	2,975	2,920	71	(150)	2,841	8.6%	-	142	142	-	2,983	8	(469)	-	(469)	-	13	490	102
2020	3,151	24	26	3,200	3,151	60	(125)	3,087	8.6%	-	139	139	-	3,226	26	(444)	-	(444)	-	29	460	84
2021	3,400	18	24	3,443	3,400	52	(100)	3,353	8.6%	-	136	136	-	3,490	47	(397)	-	(397)	-	49	411	70
2022	3,670	15	22	3,706	3,670	44	(71)	3,643	8.6%	-	134	134	-	3,776	70	(327)	-	(327)	-	73	338	59
2023	3,960	12	18	3,991	3,960	36	(39)	3,958	8.6%	-	131	131	-	4,088	98	(229)	-	(229)	-	100	239	49
2024	4,274	10	13	4,297	4,274	28	(15)	4,286	8.3%	-	128	128	-	4,414	117	(112)	-	(112)	-	119	120	41
2025	4,613	8	6	4,628	4,613	18	(10)	4,621	7.8%	-	118	118	-	4,740	112	(0)	7	7	-	120	0	35
	48,541	2,295	269	51,106	48,541	2,798	(3,799)	47,540		336	3,168	3,504	3	51,047	-				547	547		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,211	2,475	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,638		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	88	-	88	1,568
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	76	11	1,551
2008	1,030	269	1	1,299	1,030	294	(165)	1,158	8.5%	42	98	140	-	1,299	-	(0)	389	389	-	11	-	1,497
2009	1,402	278	-	1,680	1,402	296	(434)	1,263	9.1%	42	375	417	-	1,680	-	(0)	203	203	56	-	56	1,295
2010	1,513	287	3	1,803	1,513	309	(444)	1,378	9.1%	42	383	425	-	1,803	(1)	(1)	-	(1)	160	-	216	1,075
2011	1,633	281	11	1,925	1,633	329	(459)	1,503	9.1%	42	175	217	-	1,720	(206)	(206)	-	(206)	161	-	377	853
2012	1,763	249	20	2,032	1,763	331	(454)	1,639	9.1%	42	170	212	-	1,851	(181)	(388)	-	(388)	141	-	518	652
2013	1,903	199	27	2,128	1,903	304	(419)	1,788	9.1%	42	165	207	-	1,994	(134)	(521)	-	(521)	102	-	620	491
2014	2,054	144	33	2,230	2,054	254	(358)	1,950	9.1%	-	160	160	-	2,110	(120)	(641)	-	(641)	97	-	716	375
2015	2,217	106	38	2,361	2,217	200	(290)	2,126	9.1%	-	156	156	-	2,283	(78)	(720)	-	(720)	61	-	778	290
2016	2,393	78	41	2,512	2,393	162	(236)	2,319	9.1%	-	152	152	-	2,472	(41)	(761)	-	(761)	28	-	806	227
2017	2,583	60	42	2,686	2,583	133	(187)	2,529	9.1%	-	149	149	-	2,678	(8)	(768)	-	(768)	-	2	804	180
2018	2,789	45	42	2,876	2,789	113	(143)	2,759	9.1%	-	146	146	-	2,904	28	(740)	-	(740)	-	35	769	145
2019	3,011	34	40	3,085	3,011	94	(96)	3,009	9.1%	-	142	142	-	3,151	66	(674)	-	(674)	-	71	698	118
2020	3,251	27	37	3,315	3,251	78	(47)	3,281	9.1%	-	139	139	-	3,421	106	(568)	-	(568)	-	110	587	97
2021	3,510	21	31	3,562	3,510	64	(36)	3,538	7.8%	-	136	136	-	3,674	112	(455)	-	(455)	-	116	472	81
2022	3,789	17	25	3,831	3,789	51	(28)	3,811	7.7%	-	134	134	-	3,945	114	(342)	-	(342)	-	116	355	68
2023	4,091	15	19	4,124	4,091	40	(22)	4,108	7.8%	-	131	131	-	4,239	115	(227)	-	(227)	-	117	238	57
2024	4,417	12	13	4,442	4,417	30	(17)	4,430	7.8%	-	128	128	-	4,558	117	(110)	-	(110)	-	118	120	48
2025	4,769	10	6	4,785	4,769	20	(11)	4,778	7.9%	-	117	117	-	4,895	110	0	8	8	-	120	0	41
	49,964	2,622	432	53,019	49,964	3,333	(3,846)	49,451		336	3,170	3,506	3	52,960	-				894	894		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,315	2,487	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,625		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	130	-	130	1,781
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	55	75	1,776
2008	1,030	303	4	1,336	1,030	319	(179)	1,170	9.5%	42	125	167	-	1,336	-	(0)	345	345	-	75	-	1,716
2009	1,439	315	-	1,754	1,439	333	(488)	1,284	9.8%	42	428	470	-	1,754	-	(0)	104	104	193	-	193	1,488
2010	1,553	329	10	1,893	1,553	358	(502)	1,409	9.8%	42	285	327	-	1,736	(157)	(157)	-	(157)	210	-	404	1,236
2011	1,677	324	21	2,022	1,677	386	(516)	1,546	9.8%	42	176	218	-	1,764	(258)	(415)	-	(415)	207	-	611	980
2012	1,811	286	32	2,129	1,811	392	(505)	1,697	9.8%	42	171	213	-	1,910	(220)	(634)	-	(634)	173	-	784	749
2013	1,956	228	41	2,225	1,956	360	(453)	1,863	9.8%	42	165	207	-	2,071	(154)	(789)	-	(789)	117	-	901	564
2014	2,112	165	47	2,324	2,112	303	(370)	2,045	9.8%	-	161	161	-	2,206	(118)	(907)	-	(907)	92	-	993	431
2015	2,280	123	52	2,455	2,280	239	(275)	2,244	9.8%	-	157	157	-	2,401	(54)	(961)	-	(961)	34	-	1,027	332
2016	2,463	90	54	2,607	2,463	194	(193)	2,463	9.8%	-	153	153	-	2,616	9	(952)	-	(952)	-	24	1,004	261
2017	2,660	69	53	2,781	2,660	157	(113)	2,704	9.8%	-	149	149	-	2,853	72	(880)	-	(880)	-	83	921	206
2018	2,872	52	48	2,972	2,872	129	(72)	2,929	8.3%	-	146	146	-	3,075	102	(777)	-	(777)	-	111	810	166
2019	3,102	39	43	3,184	3,102	104	(58)	3,148	7.5%	-	143	143	-	3,290	106	(671)	-	(671)	-	113	698	136
2020	3,350	31	37	3,418	3,350	83	(47)	3,387	7.6%	-	140	140	-	3,526	108	(563)	-	(563)	-	113	585	112
2021	3,619	24	31	3,674	3,619	68	(38)	3,649	7.7%	-	137	137	-	3,785	111	(451)	-	(451)	-	115	470	93
2022	3,908	20	25	3,953	3,908	54	(30)	3,932	7.8%	-	134	134	-	4,066	113	(339)	-	(339)	-	116	354	78
2023	4,222	17	19	4,257	4,222	42	(24)	4,240	7.8%	-	131	131	-	4,371	114	(224)	-	(224)	-	117	237	65
2024	4,560	14	12	4,586	4,560	32	(18)	4,574	7.9%	-	128	128	-	4,702	116	(109)	-	(109)	-	118	119	55
2025	4,925	11	6	4,943	4,925	22	(12)	4,935	7.9%	-	116	116	-	5,051	109	0	9	9	-	119	0	46
	51,387	2,949	542	54,878	51,387	3,811	(3,895)	51,303		336	3,177	3,513	3	54,819	-				1,158	1,158		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,410	2,501	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,610		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	172	-	172	1,990
2007	958	286	9	1,253	958	112	-	1,070	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	50	123	2,015
2008	1,030	337	6	1,373	1,030	322	(181)	1,171	9.5%	42	160	202	-	1,373	-	(0)	312	312	-	45	78	1,950
2009	1,476	353	4	1,832	1,476	375	(552)	1,299	10.9%	42	491	533	-	1,832	-	(0)	9	9	252	-	330	1,695
2010	1,594	373	17	1,985	1,594	407	(560)	1,441	10.9%	42	192	234	-	1,675	(310)	(310)	-	(310)	262	-	592	1,411
2011	1,721	370	31	2,123	1,721	445	(568)	1,598	10.9%	42	177	219	-	1,818	(305)	(615)	-	(615)	247	-	838	1,118
2012	1,859	327	44	2,230	1,859	456	(542)	1,773	10.9%	42	172	214	-	1,987	(243)	(858)	-	(858)	191	-	1,029	854
2013	2,009	260	54	2,323	2,009	419	(460)	1,967	10.9%	42	166	208	-	2,175	(148)	(1,006)	-	(1,006)	106	-	1,135	643
2014	2,170	188	60	2,417	2,170	352	(340)	2,182	10.9%	-	161	161	-	2,343	(74)	(1,080)	-	(1,080)	44	-	1,179	491
2015	2,344	140	62	2,546	2,344	275	(199)	2,420	10.9%	-	157	157	-	2,577	31	(1,049)	-	(1,049)	-	54	1,125	379
2016	2,532	103	59	2,694	2,532	219	(123)	2,628	8.6%	-	153	153	-	2,782	87	(962)	-	(962)	-	104	1,021	297
2017	2,736	78	54	2,868	2,736	172	(97)	2,811	7.0%	-	149	149	-	2,961	93	(869)	-	(869)	-	105	916	235
2018	2,956	59	48	3,063	2,956	139	(78)	3,017	7.3%	-	146	146	-	3,163	100	(769)	-	(769)	-	109	807	188
2019	3,193	44	42	3,280	3,193	111	(63)	3,242	7.5%	-	143	143	-	3,385	105	(664)	-	(664)	-	112	695	154
2020	3,450	35	36	3,522	3,450	89	(50)	3,489	7.6%	-	140	140	-	3,629	107	(557)	-	(557)	-	112	582	127
2021	3,728	28	31	3,786	3,728	72	(41)	3,760	7.7%	-	137	137	-	3,896	110	(447)	-	(447)	-	114	468	106
2022	4,028	23	25	4,075	4,028	57	(32)	4,053	7.8%	-	134	134	-	4,187	112	(335)	-	(335)	-	115	353	89
2023	4,352	19	19	4,390	4,352	45	(25)	4,372	7.9%	-	131	131	-	4,503	113	(222)	-	(222)	-	116	237	74
2024	4,703	16	12	4,731	4,703	35	(20)	4,718	7.9%	-	128	128	-	4,846	115	(107)	-	(107)	-	118	119	62
2025	5,081	13	6	5,100	5,081	24	(14)	5,092	7.9%	-	115	115	-	5,207	107	(0)	10	10	-	119	0	52
	52,810	3,276	619	56,705	52,810	4,252	(3,944)	53,118		336	3,189	3,525	3	56,646	-				1,273	1,273		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 12.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,501	2,512	59	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,587		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	214	-	214	2,199
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,249	(6)	(0)	281	281	-	44	170	2,254
2008	1,030	372	9	1,410	1,030	325	(182)	1,172	9.5%	42	196	238	-	1,410	-	(0)	279	279	-	12	158	2,183
2009	1,512	390	8	1,911	1,512	418	(612)	1,318	12.4%	42	469	511	-	1,829	(81)	(81)	-	(81)	304	-	462	1,902
2010	1,634	417	24	2,076	1,634	455	(608)	1,482	12.4%	42	185	227	-	1,709	(367)	(448)	-	(448)	303	-	765	1,585
2011	1,766	416	40	2,222	1,766	503	(602)	1,666	12.4%	42	179	221	-	1,887	(335)	(784)	-	(784)	269	-	1,035	1,256
2012	1,908	367	54	2,329	1,908	518	(552)	1,874	12.4%	42	173	215	-	2,089	(241)	(1,024)	-	(1,024)	181	-	1,216	960
2013	2,062	293	64	2,418	2,062	474	(428)	2,107	12.4%	42	167	209	-	2,316	(102)	(1,126)	-	(1,126)	54	-	1,270	722
2014	2,228	211	67	2,506	2,228	395	(254)	2,369	12.4%	-	162	162	-	2,531	26	(1,100)	-	(1,100)	-	60	1,211	552
2015	2,408	158	64	2,629	2,408	302	(170)	2,540	7.2%	-	158	158	-	2,698	69	(1,031)	-	(1,031)	-	94	1,116	425
2016	2,602	116	59	2,776	2,602	238	(134)	2,706	6.5%	-	153	153	-	2,860	84	(948)	-	(948)	-	102	1,014	333
2017	2,812	88	53	2,953	2,812	186	(104)	2,894	6.9%	-	150	150	-	3,043	90	(858)	-	(858)	-	104	911	263
2018	3,039	66	48	3,153	3,039	149	(84)	3,105	7.3%	-	146	146	-	3,251	98	(760)	-	(760)	-	108	803	211
2019	3,285	50	42	3,377	3,285	119	(67)	3,337	7.5%	-	143	143	-	3,480	103	(657)	-	(657)	-	111	692	172
2020	3,550	39	36	3,626	3,550	95	(53)	3,592	7.6%	-	140	140	-	3,732	106	(551)	-	(551)	-	112	580	142
2021	3,837	31	30	3,898	3,837	77	(43)	3,871	7.8%	-	137	137	-	4,008	109	(442)	-	(442)	-	114	466	119
2022	4,147	25	24	4,197	4,147	61	(34)	4,174	7.8%	-	134	134	-	4,308	111	(332)	-	(332)	-	115	351	99
2023	4,483	22	18	4,523	4,483	48	(27)	4,504	7.9%	-	131	131	-	4,635	112	(219)	-	(219)	-	116	236	83
2024	4,845	18	12	4,876	4,845	37	(21)	4,862	7.9%	-	128	128	-	4,990	114	(105)	-	(105)	-	117	119	69
2025	5,237	14	6	5,258	5,237	27	(15)	5,249	8.0%	-	114	114	-	5,363	105	(0)	12	12	-	119	0	59
	54,233	3,602	671	58,507	54,233	4,665	(3,991)	54,908		336	3,201	3,537	3	58,447	-				1,327	1,327		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,075	2,454	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,617		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	43	-	43	1,344
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	43	-	1,362
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	(0)	398	398	-	-	-	1,341
2009	1,170	242	-	1,412	1,170	258	(174)	1,255	8.5%	42	116	158	-	1,412	-	(0)	471	471	-	-	-	1,305
2010	1,376	251	-	1,626	1,376	266	(281)	1,361	8.5%	42	223	265	-	1,626	-	(0)	436	436	-	-	-	1,188
2011	1,482	254	-	1,737	1,482	276	(282)	1,476	8.5%	42	218	260	-	1,737	-	(0)	401	401	-	-	-	1,050
2012	1,714	247	-	1,961	1,714	280	(393)	1,601	8.5%	42	318	360	-	1,961	-	(0)	261	261	-	-	-	859
2013	1,849	227	-	2,076	1,849	272	(385)	1,737	8.5%	42	297	339	-	2,076	-	(0)	134	134	2	-	2	679
2014	1,996	195	0	2,190	1,996	250	(361)	1,884	8.5%	-	296	296	-	2,180	(10)	(10)	-	(10)	113	-	115	523
2015	2,153	156	6	2,315	2,153	221	(330)	2,044	8.5%	-	157	157	-	2,201	(114)	(124)	-	(124)	89	-	204	397
2016	2,323	119	11	2,454	2,323	183	(289)	2,217	8.5%	-	153	153	-	2,370	(83)	(207)	-	(207)	64	-	267	300
2017	2,507	87	14	2,608	2,507	147	(249)	2,405	8.5%	-	149	149	-	2,555	(53)	(261)	-	(261)	39	-	307	230
2018	2,706	64	16	2,786	2,706	113	(210)	2,609	8.5%	-	146	146	-	2,755	(31)	(292)	-	(292)	21	-	328	179
2019	2,920	47	17	2,984	2,920	89	(179)	2,830	8.5%	-	143	143	-	2,973	(11)	(303)	-	(303)	4	-	331	142
2020	3,151	36	17	3,204	3,151	71	(152)	3,070	8.5%	-	140	140	-	3,209	5	(298)	-	(298)	-	11	321	114
2021	3,400	28	17	3,445	3,400	58	(128)	3,330	8.5%	-	137	137	-	3,466	22	(276)	-	(276)	-	26	294	92
2022	3,670	21	15	3,706	3,670	47	(105)	3,612	8.5%	-	134	134	-	3,746	39	(237)	-	(237)	-	43	252	76
2023	3,960	17	13	3,991	3,960	38	(80)	3,918	8.5%	-	131	131	-	4,049	59	(178)	-	(178)	-	61	191	63
2024	4,274	13	10	4,298	4,274	30	(54)	4,250	8.5%	-	128	128	-	4,378	81	(97)	-	(97)	-	83	108	53
2025	4,613	11	6	4,630	4,613	21	(24)	4,610	8.5%	-	117	117	-	4,727	97	(0)	9	9	-	108	-	44
	48,201	2,705	145	51,051	48,201	3,109	(3,862)	47,448		336	3,205	3,541	3	50,992	-				374	374		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,190	2,469	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,616		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	86	-	86	1,559
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	69	17	1,579
2008	1,096	269	1	1,365	1,096	294	(227)	1,163	9.0%	42	160	202	-	1,365	-	(0)	327	327	-	17	-	1,557
2009	1,179	278	-	1,457	1,179	296	(207)	1,267	9.0%	42	148	190	-	1,457	-	(0)	365	365	-	-	-	1,514
2010	1,402	291	-	1,694	1,402	306	(328)	1,381	9.0%	42	270	312	-	1,694	-	(0)	279	279	-	-	-	1,378
2011	1,511	297	-	1,808	1,511	320	(327)	1,505	9.0%	42	261	303	-	1,808	-	(0)	195	195	48	-	48	1,215
2012	1,763	287	3	2,052	1,763	329	(452)	1,640	9.0%	42	367	409	-	2,049	(3)	(3)	-	(3)	153	-	201	993
2013	1,903	263	11	2,176	1,903	327	(443)	1,787	9.0%	42	167	209	-	1,997	(179)	(182)	-	(182)	138	-	339	785
2014	2,054	225	18	2,296	2,054	309	(415)	1,947	9.0%	-	163	163	-	2,110	(186)	(368)	-	(368)	150	-	489	604
2015	2,217	180	26	2,423	2,217	276	(370)	2,122	9.0%	-	158	158	-	2,280	(143)	(511)	-	(511)	113	-	603	458
2016	2,393	138	32	2,563	2,393	233	(313)	2,313	9.0%	-	154	154	-	2,466	(96)	(607)	-	(607)	74	-	676	346
2017	2,583	100	36	2,719	2,583	191	(254)	2,520	9.0%	-	150	150	-	2,670	(49)	(656)	-	(656)	33	-	709	266
2018	2,789	74	37	2,900	2,789	151	(194)	2,746	9.0%	-	146	146	-	2,892	(8)	(664)	-	(664)	-	4	706	207
2019	3,011	54	37	3,102	3,011	122	(141)	2,992	9.0%	-	143	143	-	3,135	33	(631)	-	(631)	-	42	664	164
2020	3,251	41	35	3,327	3,251	98	(88)	3,261	9.0%	-	140	140	-	3,401	74	(557)	-	(557)	-	80	583	131
2021	3,510	32	31	3,572	3,510	79	(44)	3,544	8.7%	-	137	137	-	3,681	109	(448)	-	(448)	-	114	469	107
2022	3,789	25	25	3,838	3,789	62	(35)	3,816	7.7%	-	134	134	-	3,950	112	(336)	-	(336)	-	116	354	88
2023	4,091	20	19	4,129	4,091	48	(27)	4,112	7.7%	-	131	131	-	4,243	114	(223)	-	(223)	-	117	237	73
2024	4,417	16	12	4,445	4,417	35	(20)	4,433	7.8%	-	128	128	-	4,561	116	(107)	-	(107)	-	118	119	61
2025	4,769	13	6	4,788	4,769	24	(13)	4,780	7.8%	-	115	115	-	4,895	107	(0)	10	10	-	119	-	51
	49,576	3,091	331	52,997	49,576	3,734	(3,897)	49,413		336	3,186	3,522	3	52,938	-				795	795		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,295	2,492	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,616		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	128	-	128	1,771
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	47	82	1,808
2008	1,104	303	4	1,411	1,104	320	(252)	1,171	9.6%	42	198	240	-	1,411	-	(0)	273	273	2	-	84	1,783
2009	1,188	315	4	1,508	1,188	338	(242)	1,284	9.6%	42	182	224	-	1,508	-	(0)	278	278	-	15	68	1,734
2010	1,429	334	4	1,766	1,429	351	(372)	1,408	9.6%	42	316	358	-	1,766	-	(0)	146	146	101	-	170	1,576
2011	1,541	342	9	1,891	1,541	377	(373)	1,544	9.6%	42	305	347	-	1,891	-	(0)	19	19	89	-	258	1,387
2012	1,811	329	14	2,153	1,811	391	(509)	1,693	9.6%	42	193	235	-	1,927	(226)	(226)	-	(226)	194	-	453	1,133
2013	1,956	301	24	2,280	1,956	388	(488)	1,856	9.6%	42	169	211	-	2,066	(214)	(440)	-	(440)	166	-	619	894
2014	2,112	256	32	2,400	2,112	367	(444)	2,034	9.6%	-	163	163	-	2,198	(203)	(642)	-	(642)	161	-	780	688
2015	2,280	206	41	2,527	2,280	327	(377)	2,231	9.6%	-	159	159	-	2,389	(138)	(780)	-	(780)	104	-	885	522
2016	2,463	157	46	2,666	2,463	277	(294)	2,446	9.6%	-	154	154	-	2,600	(66)	(847)	-	(847)	41	-	925	395
2017	2,660	114	49	2,822	2,660	226	(204)	2,681	9.6%	-	150	150	-	2,831	9	(837)	-	(837)	-	28	898	303
2018	2,872	85	47	3,004	2,872	177	(110)	2,940	9.6%	-	147	147	-	3,086	82	(755)	-	(755)	-	95	802	235
2019	3,102	62	42	3,206	3,102	140	(78)	3,163	7.6%	-	143	143	-	3,307	101	(655)	-	(655)	-	110	692	187
2020	3,350	47	36	3,434	3,350	108	(61)	3,398	7.4%	-	140	140	-	3,538	104	(551)	-	(551)	-	111	581	150
2021	3,619	36	30	3,685	3,619	85	(48)	3,656	7.6%	-	137	137	-	3,793	108	(443)	-	(443)	-	113	467	122
2022	3,908	28	25	3,961	3,908	67	(37)	3,938	7.7%	-	134	134	-	4,072	111	(332)	-	(332)	-	115	352	100
2023	4,222	22	19	4,263	4,222	51	(29)	4,244	7.8%	-	131	131	-	4,375	113	(220)	-	(220)	-	116	236	83
2024	4,560	18	12	4,590	4,560	38	(22)	4,577	7.8%	-	128	128	-	4,705	115	(105)	-	(105)	-	118	119	69
2025	4,925	14	6	4,946	4,925	26	(15)	4,937	7.9%	-	114	114	-	5,051	105	0	12	12	-	119	-	58
	50,950	3,476	451	54,878	50,950	4,288	(3,954)	51,283		336	3,197	3,533	3	54,818	-				987	987		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,389	2,511	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,605		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	170	-	170	1,979
2007	958	286	9	1,253	958	112	-	1,069	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	40	130	2,050
2008	1,112	337	7	1,456	1,112	322	(253)	1,181	10.5%	42	233	275	-	1,456	-	(0)	240	240	35	-	165	2,024
2009	1,197	353	9	1,559	1,197	380	(273)	1,305	10.5%	42	212	254	-	1,559	-	(0)	217	217	12	-	177	1,969
2010	1,456	378	9	1,843	1,456	398	(413)	1,441	10.5%	42	360	402	-	1,843	-	(0)	43	43	138	-	315	1,788
2011	1,570	390	17	1,976	1,570	434	(412)	1,592	10.5%	42	223	265	-	1,857	(119)	(119)	-	(119)	118	-	433	1,570
2012	1,859	374	23	2,256	1,859	454	(555)	1,758	10.5%	42	175	217	-	1,976	(280)	(399)	-	(399)	222	-	655	1,280
2013	2,009	341	34	2,384	2,009	449	(515)	1,942	10.5%	42	170	212	-	2,154	(230)	(629)	-	(629)	176	-	831	1,010
2014	2,170	289	44	2,503	2,170	423	(448)	2,145	10.5%	-	164	164	-	2,310	(193)	(822)	-	(822)	147	-	978	777
2015	2,344	232	51	2,628	2,344	375	(349)	2,370	10.5%	-	159	159	-	2,529	(99)	(921)	-	(921)	61	-	1,039	589
2016	2,532	177	55	2,764	2,532	316	(231)	2,617	10.5%	-	155	155	-	2,772	8	(913)	-	(913)	-	37	1,002	446
2017	2,736	128	53	2,917	2,736	253	(142)	2,847	8.8%	-	151	151	-	2,997	81	(833)	-	(833)	-	101	901	343
2018	2,956	96	47	3,099	2,956	193	(108)	3,040	6.8%	-	147	147	-	3,187	88	(744)	-	(744)	-	104	797	266
2019	3,193	70	42	3,305	3,193	152	(85)	3,260	7.2%	-	143	143	-	3,403	98	(646)	-	(646)	-	109	688	211
2020	3,450	53	36	3,539	3,450	116	(65)	3,501	7.4%	-	140	140	-	3,641	102	(544)	-	(544)	-	110	578	169
2021	3,728	41	30	3,799	3,728	92	(51)	3,768	7.6%	-	137	137	-	3,905	106	(438)	-	(438)	-	112	465	138
2022	4,028	32	24	4,084	4,028	72	(40)	4,059	7.7%	-	134	134	-	4,193	109	(328)	-	(328)	-	114	351	113
2023	4,352	26	18	4,396	4,352	55	(31)	4,376	7.8%	-	131	131	-	4,508	111	(217)	-	(217)	-	115	236	94
2024	4,703	20	12	4,735	4,703	42	(23)	4,721	7.9%	-	128	128	-	4,849	114	(103)	-	(103)	-	117	118	78
2025	5,081	16	6	5,104	5,081	29	(16)	5,094	7.9%	-	113	113	-	5,207	103	0	13	13	-	118	-	66
	52,325	3,861	527	56,712	52,325	4,790	(4,011)	53,104		336	3,211	3,547	3	56,653	-				1,079	1,079		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 11.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,479	2,527	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,587		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	212	-	212	2,187
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,249	(6)	(0)	281	281	-	34	178	2,293
2008	1,121	371	9	1,501	1,121	325	(253)	1,193	11.4%	42	267	309	-	1,501	-	(0)	209	209	66	-	244	2,264
2009	1,206	390	13	1,609	1,206	423	(300)	1,329	11.4%	42	239	281	-	1,609	-	(0)	161	161	36	-	280	2,204
2010	1,482	422	15	1,919	1,482	445	(447)	1,480	11.4%	42	348	390	-	1,870	(49)	(49)	-	(49)	169	-	449	2,000
2011	1,599	438	24	2,060	1,599	490	(440)	1,649	11.4%	42	182	224	-	1,873	(187)	(236)	-	(236)	138	-	587	1,753
2012	1,908	419	31	2,357	1,908	516	(587)	1,837	11.4%	42	177	219	-	2,055	(302)	(538)	-	(538)	237	-	824	1,428
2013	2,062	381	43	2,486	2,062	508	(524)	2,046	11.4%	42	171	213	-	2,259	(227)	(765)	-	(765)	167	-	991	1,126
2014	2,228	323	52	2,603	2,228	476	(425)	2,279	11.4%	-	165	165	-	2,445	(158)	(923)	-	(923)	106	-	1,097	866
2015	2,408	259	58	2,724	2,408	418	(287)	2,539	11.4%	-	160	160	-	2,699	(25)	(948)	-	(948)	-	17	1,079	657
2016	2,602	197	57	2,856	2,602	347	(195)	2,754	8.5%	-	155	155	-	2,910	54	(894)	-	(894)	-	86	994	497
2017	2,812	143	52	3,007	2,812	274	(154)	2,932	6.5%	-	151	151	-	3,083	77	(818)	-	(818)	-	100	894	382
2018	3,039	107	47	3,193	3,039	209	(117)	3,131	6.8%	-	147	147	-	3,278	85	(733)	-	(733)	-	102	792	296
2019	3,285	78	42	3,404	3,285	164	(92)	3,356	7.2%	-	144	144	-	3,500	96	(637)	-	(637)	-	108	684	235
2020	3,550	59	36	3,645	3,550	125	(70)	3,605	7.4%	-	140	140	-	3,745	100	(537)	-	(537)	-	110	575	189
2021	3,837	45	30	3,912	3,837	98	(55)	3,880	7.6%	-	137	137	-	4,017	105	(432)	-	(432)	-	112	463	154
2022	4,147	35	24	4,207	4,147	76	(43)	4,181	7.8%	-	134	134	-	4,315	108	(324)	-	(324)	-	113	349	126
2023	4,483	29	18	4,530	4,483	59	(33)	4,509	7.8%	-	131	131	-	4,640	110	(214)	-	(214)	-	115	235	104
2024	4,845	23	12	4,880	4,845	45	(25)	4,865	7.9%	-	129	129	-	4,994	113	(101)	-	(101)	-	117	118	87
2025	5,237	18	6	5,262	5,237	32	(18)	5,251	7.9%	-	111	111	-	5,362	101	(0)	15	15	-	118	-	73
	53,699	4,246	580	58,525	53,699	5,269	(4,066)	54,902		336	3,225	3,561	3	58,465	-				1,130	1,130		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,082	2,457	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,625		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	39	-	39	1,325
2007	958	233	2	1,193	958	108	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	(262)	1,157	8.5%	42	198	240	-	1,396	-	(0)	324	324	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	(255)	1,255	8.5%	42	194	236	-	1,491	-	(0)	315	315	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	(250)	1,361	8.5%	42	186	228	-	1,589	-	(0)	311	311	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	(377)	1,476	8.5%	42	304	346	-	1,823	-	(0)	185	185	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	(370)	1,601	8.5%	42	286	328	-	1,930	-	(0)	69	69	66	-	66	678
2013	1,849	188	3	2,041	1,849	241	(353)	1,737	8.5%	42	234	276	-	2,013	(28)	(28)	-	(28)	67	-	133	527
2014	1,996	155	7	2,158	1,996	214	(325)	1,885	8.5%	-	160	160	-	2,045	(113)	(140)	-	(140)	88	-	221	402
2015	2,153	119	12	2,284	2,153	184	(293)	2,044	8.5%	-	156	156	-	2,201	(83)	(224)	-	(224)	64	-	285	306
2016	2,323	88	15	2,426	2,323	147	(253)	2,218	8.5%	-	153	153	-	2,370	(56)	(280)	-	(280)	42	-	327	235
2017	2,507	65	17	2,590	2,507	115	(217)	2,406	8.5%	-	149	149	-	2,555	(35)	(314)	-	(314)	25	-	351	183
2018	2,706	48	18	2,772	2,706	92	(188)	2,610	8.5%	-	146	146	-	2,755	(17)	(331)	-	(331)	9	-	360	145
2019	2,920	37	19	2,975	2,920	74	(162)	2,831	8.5%	-	142	142	-	2,973	(2)	(333)	-	(333)	-	4	357	117
2020	3,151	28	19	3,197	3,151	61	(141)	3,071	8.5%	-	139	139	-	3,210	13	(321)	-	(321)	-	17	340	95
2021	3,400	22	18	3,440	3,400	50	(119)	3,331	8.5%	-	136	136	-	3,468	28	(293)	-	(293)	-	31	309	78
2022	3,670	18	16	3,704	3,670	42	(98)	3,614	8.5%	-	134	134	-	3,747	43	(250)	-	(250)	-	46	262	65
2023	3,960	14	14	3,988	3,960	35	(75)	3,920	8.5%	-	131	131	-	4,051	63	(187)	-	(187)	-	65	198	54
2024	4,274	11	10	4,296	4,274	27	(49)	4,252	8.5%	-	128	128	-	4,380	85	(102)	-	(102)	-	86	112	46
2025	4,613	9	6	4,628	4,613	19	(19)	4,613	8.5%	-	118	118	-	4,731	102	(0)	8	8	-	112	0	39
	48,438	2,419	176	51,034	48,438	2,831	(3,807)	47,462		336	3,174	3,510	3	50,974	-				400	400		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,198	2,476	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,629	2025 Ending Surplus / (Deficit)			9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	82	-	82	1,537
2007	958	267	4	1,229	958	109	-	1,067	5.1%	42	113	155	0	1,223	(6)	(0)	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	(312)	1,164	9.0%	42	244	286	-	1,450	-	(0)	243	243	39	-	45	1,442
2009	1,273	274	2	1,550	1,273	297	(301)	1,269	9.0%	42	239	281	-	1,550	-	(0)	189	189	32	-	77	1,331
2010	1,371	279	4	1,655	1,371	306	(294)	1,384	9.0%	42	229	271	-	1,655	-	(0)	140	140	22	-	99	1,193
2011	1,633	273	5	1,911	1,633	313	(437)	1,509	9.0%	42	315	357	-	1,866	(45)	(45)	-	(45)	143	-	242	983
2012	1,763	251	13	2,026	1,763	315	(432)	1,645	9.0%	42	171	213	-	1,858	(169)	(214)	-	(214)	129	-	371	786
2013	1,903	218	19	2,140	1,903	297	(406)	1,794	9.0%	42	166	208	-	2,002	(139)	(353)	-	(353)	104	-	475	611
2014	2,054	180	25	2,258	2,054	267	(365)	1,956	9.0%	-	161	161	-	2,117	(141)	(494)	-	(494)	112	-	587	466
2015	2,217	138	31	2,386	2,217	232	(316)	2,133	9.0%	-	157	157	-	2,290	(96)	(590)	-	(590)	74	-	661	354
2016	2,393	102	35	2,529	2,393	190	(258)	2,326	9.0%	-	153	153	-	2,479	(51)	(641)	-	(641)	34	-	695	273
2017	2,583	75	36	2,695	2,583	152	(199)	2,536	9.0%	-	149	149	-	2,685	(10)	(651)	-	(651)	-	2	693	213
2018	2,789	56	36	2,881	2,789	123	(147)	2,765	9.0%	-	146	146	-	2,911	30	(621)	-	(621)	-	39	654	168
2019	3,011	42	34	3,088	3,011	99	(99)	3,011	8.9%	-	143	143	-	3,154	66	(555)	-	(555)	-	72	582	135
2020	3,251	32	31	3,313	3,251	80	(80)	3,251	8.0%	-	140	140	-	3,390	77	(478)	-	(478)	-	82	500	110
2021	3,510	25	26	3,561	3,510	64	(64)	3,510	8.0%	-	137	137	-	3,646	85	(393)	-	(393)	-	89	411	91
2022	3,789	21	22	3,831	3,789	52	(52)	3,789	8.0%	-	134	134	-	3,923	91	(302)	-	(302)	-	95	317	75
2023	4,091	16	17	4,124	4,091	41	(41)	4,091	8.0%	-	131	131	-	4,222	98	(204)	-	(204)	-	100	216	63
2024	4,417	13	11	4,441	4,417	30	(30)	4,417	8.0%	-	128	128	-	4,545	104	(100)	-	(100)	-	106	111	53
2025	4,769	11	6	4,786	4,769	21	(21)	4,769	8.0%	-	117	117	-	4,886	100	(0)	9	9	-	111	0	45
	49,846	2,764	358	52,968	49,846	3,407	(3,854)	49,400		336	3,171	3,507	3	52,909	-				771	771		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,296	2,496	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,618		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	123	-	123	1,746
2007	958	286	6	1,250	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	(344)	1,175	10.0%	42	288	330	-	1,506	-	(0)	182	182	80	-	149	1,653
2009	1,294	311	8	1,612	1,294	340	(341)	1,293	10.0%	42	277	319	-	1,612	-	(0)	91	91	66	-	215	1,528
2010	1,394	320	11	1,726	1,394	354	(325)	1,423	10.0%	42	261	303	-	1,726	-	(0)	12	12	47	-	262	1,369
2011	1,677	315	14	2,006	1,677	368	(479)	1,566	10.0%	42	189	231	-	1,797	(209)	(209)	-	(209)	173	-	434	1,126
2012	1,811	288	23	2,122	1,811	372	(460)	1,723	10.0%	42	172	214	-	1,937	(185)	(394)	-	(394)	140	-	574	899
2013	1,956	250	30	2,236	1,956	350	(409)	1,896	10.0%	42	167	209	-	2,105	(131)	(525)	-	(525)	91	-	665	699
2014	2,112	206	35	2,352	2,112	314	(339)	2,087	10.0%	-	162	162	-	2,248	(104)	(629)	-	(629)	71	-	736	533
2015	2,280	158	39	2,477	2,280	269	(269)	2,280	9.3%	-	157	157	-	2,438	(39)	(668)	-	(668)	14	-	750	405
2016	2,463	116	39	2,618	2,463	217	(217)	2,463	8.0%	-	153	153	-	2,616	(2)	(671)	-	(671)	-	17	733	312
2017	2,660	86	38	2,784	2,660	170	(170)	2,660	8.0%	-	150	150	-	2,809	25	(646)	-	(646)	-	39	694	243
2018	2,872	64	36	2,973	2,872	135	(135)	2,872	8.0%	-	146	146	-	3,018	46	(600)	-	(600)	-	56	638	193
2019	3,102	49	34	3,184	3,102	107	(107)	3,102	8.0%	-	143	143	-	3,245	61	(539)	-	(539)	-	68	570	154
2020	3,350	37	30	3,417	3,350	86	(86)	3,350	8.0%	-	140	140	-	3,490	73	(466)	-	(466)	-	79	491	126
2021	3,619	29	26	3,673	3,619	69	(69)	3,619	8.0%	-	137	137	-	3,755	82	(384)	-	(384)	-	86	405	104
2022	3,908	24	21	3,953	3,908	55	(55)	3,908	8.0%	-	134	134	-	4,042	89	(295)	-	(295)	-	93	312	86
2023	4,222	19	16	4,257	4,222	44	(44)	4,222	8.0%	-	131	131	-	4,353	96	(199)	-	(199)	-	99	214	71
2024	4,560	15	11	4,586	4,560	33	(33)	4,560	8.0%	-	128	128	-	4,688	102	(97)	-	(97)	-	104	109	60
2025	4,925	12	6	4,943	4,925	23	(23)	4,925	8.0%	-	115	115	-	5,041	97	(0)	10	10	-	109	0	51
	51,254	3,109	428	54,790	51,254	3,859	(3,904)	51,210		336	3,183	3,519	3	54,731	-				804	804		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 12.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,379	2,509	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,589		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	164	-	164	1,951
2007	958	286	9	1,253	958	112	-	1,069	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	(343)	1,198	12.0%	42	322	364	-	1,562	-	(0)	151	151	110	-	225	1,880
2009	1,315	348	12	1,674	1,315	382	(355)	1,342	12.0%	42	290	332	-	1,674	-	(0)	49	49	74	-	299	1,740
2010	1,417	363	16	1,796	1,417	400	(313)	1,503	12.0%	42	232	274	-	1,777	(19)	(19)	-	(19)	31	-	330	1,557
2011	1,721	360	17	2,099	1,721	419	(456)	1,684	12.0%	42	178	220	-	1,905	(195)	(214)	-	(214)	139	-	470	1,280
2012	1,859	328	25	2,213	1,859	424	(424)	1,859	10.4%	42	173	215	-	2,074	(138)	(352)	-	(352)	86	-	556	1,021
2013	2,009	285	29	2,323	2,009	393	(393)	2,009	8.0%	42	168	210	-	2,218	(105)	(456)	-	(456)	59	-	615	793
2014	2,170	233	32	2,435	2,170	349	(349)	2,170	8.0%	-	163	163	-	2,332	(103)	(559)	-	(559)	65	-	680	605
2015	2,344	180	36	2,559	2,344	296	(296)	2,344	8.0%	-	158	158	-	2,502	(57)	(616)	-	(616)	28	-	708	459
2016	2,532	132	37	2,701	2,532	239	(239)	2,532	8.0%	-	154	154	-	2,686	(15)	(632)	-	(632)	-	6	702	354
2017	2,736	97	37	2,870	2,736	185	(185)	2,736	8.0%	-	150	150	-	2,886	16	(616)	-	(616)	-	31	671	276
2018	2,956	73	35	3,064	2,956	146	(146)	2,956	8.0%	-	146	146	-	3,102	38	(578)	-	(578)	-	50	621	218
2019	3,193	55	33	3,281	3,193	116	(116)	3,193	8.0%	-	143	143	-	3,336	55	(522)	-	(522)	-	64	557	175
2020	3,450	41	29	3,521	3,450	93	(93)	3,450	8.0%	-	140	140	-	3,590	69	(453)	-	(453)	-	76	482	143
2021	3,728	33	25	3,786	3,728	73	(73)	3,728	8.0%	-	137	137	-	3,865	79	(374)	-	(374)	-	84	398	118
2022	4,028	27	21	4,076	4,028	59	(59)	4,028	8.0%	-	134	134	-	4,162	86	(288)	-	(288)	-	90	308	97
2023	4,352	21	16	4,390	4,352	47	(47)	4,352	8.1%	-	131	131	-	4,483	94	(195)	-	(195)	-	97	211	81
2024	4,703	17	11	4,731	4,703	36	(36)	4,703	8.1%	-	128	128	-	4,831	100	(94)	-	(94)	-	103	108	68
2025	5,081	14	6	5,101	5,081	25	(25)	5,081	8.1%	-	114	114	-	5,195	94	0	12	12	-	108	0	58
	52,662	3,453	432	56,547	52,662	4,239	(3,948)	52,953		336	3,196	3,532	3	56,487	-				757	757		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 17.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,455	2,512	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,544		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	206	-	206	2,156
2007	958	286	11	1,255	958	113	-	1,070	5.4%	42	136	178	0	1,249	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	(304)	1,259	17.6%	42	317	359	-	1,617	-	0	158	158	101	-	263	2,106
2009	1,335	385	14	1,734	1,335	422	(278)	1,480	17.6%	42	212	254	-	1,734	-	0	136	136	-	9	254	1,952
2010	1,440	406	13	1,859	1,440	438	(246)	1,632	10.2%	42	185	227	-	1,859	-	0	136	136	-	41	214	1,746
2011	1,766	406	11	2,183	1,766	459	(459)	1,766	8.2%	42	316	358	-	2,123	(59)	(59)	-	(59)	132	-	346	1,434
2012	1,908	369	18	2,295	1,908	466	(466)	1,908	8.1%	42	174	216	-	2,124	(171)	(230)	-	(230)	113	-	459	1,143
2013	2,062	320	24	2,405	2,062	432	(432)	2,062	8.1%	42	169	211	-	2,272	(133)	(363)	-	(363)	82	-	541	887
2014	2,228	261	28	2,517	2,228	383	(383)	2,228	8.1%	-	163	163	-	2,391	(126)	(489)	-	(489)	84	-	624	677
2015	2,408	201	33	2,642	2,408	323	(323)	2,408	8.1%	-	159	159	-	2,566	(75)	(564)	-	(564)	43	-	667	514
2016	2,602	147	35	2,784	2,602	260	(260)	2,602	8.1%	-	154	154	-	2,756	(28)	(592)	-	(592)	5	-	672	395
2017	2,812	109	35	2,956	2,812	201	(201)	2,812	8.1%	-	150	150	-	2,962	6	(586)	-	(586)	-	24	648	309
2018	3,039	82	34	3,155	3,039	157	(157)	3,039	8.1%	-	147	147	-	3,186	31	(555)	-	(555)	-	44	604	244
2019	3,285	62	32	3,378	3,285	125	(125)	3,285	8.1%	-	143	143	-	3,428	50	(506)	-	(506)	-	59	545	195
2020	3,550	46	29	3,625	3,550	99	(99)	3,550	8.1%	-	140	140	-	3,690	65	(440)	-	(440)	-	72	472	160
2021	3,837	36	25	3,898	3,837	78	(78)	3,837	8.1%	-	137	137	-	3,974	76	(365)	-	(365)	-	81	391	132
2022	4,147	30	21	4,198	4,147	63	(63)	4,147	8.1%	-	134	134	-	4,281	84	(281)	-	(281)	-	88	303	109
2023	4,483	24	16	4,523	4,483	50	(50)	4,483	8.1%	-	131	131	-	4,614	91	(190)	-	(190)	-	95	208	91
2024	4,845	19	11	4,876	4,845	38	(38)	4,845	8.1%	-	128	128	-	4,974	98	(92)	-	(92)	-	101	107	76
2025	5,237	16	6	5,259	5,237	27	(27)	5,237	8.1%	-	113	113	-	5,350	92	0	13	13	-	107	0	64
	54,071	3,797	403	58,271	54,071	4,583	(3,989)	54,665		336	3,208	3,544	3	58,211	-				764	764		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,078	2,457	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,628		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	46	-	46	1,360
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	46	-	1,401
2008	1,030	236	-	1,265	1,030	256	(144)	1,142	7.1%	42	81	123	-	1,265	-	(0)	440	440	-	-	-	1,429
2009	1,107	245	-	1,352	1,107	259	(145)	1,220	6.9%	42	90	132	-	1,352	-	(0)	541	541	-	-	-	1,440
2010	1,349	259	-	1,608	1,349	270	(290)	1,329	8.9%	42	237	279	-	1,608	-	(0)	496	496	-	-	-	1,370
2011	1,453	272	-	1,724	1,453	285	(291)	1,447	8.9%	42	235	277	-	1,724	-	(0)	446	446	-	-	-	1,264
2012	1,565	276	-	1,841	1,565	299	(288)	1,576	8.9%	42	223	265	-	1,841	-	(0)	403	403	-	-	-	1,131
2013	1,849	266	-	2,115	1,849	303	(437)	1,716	8.9%	42	358	400	-	2,115	-	(0)	221	221	-	-	-	926
2014	1,996	241	-	2,237	1,996	292	(420)	1,868	8.9%	-	369	369	-	2,237	-	(0)	18	18	129	-	129	735
2015	2,153	207	7	2,368	2,153	273	(392)	2,034	8.9%	-	177	177	-	2,211	(157)	(157)	-	(157)	141	-	270	569
2016	2,323	172	14	2,510	2,323	244	(353)	2,215	8.9%	-	155	155	-	2,369	(141)	(297)	-	(297)	113	-	383	429
2017	2,507	132	20	2,659	2,507	211	(307)	2,411	8.9%	-	151	151	-	2,562	(97)	(394)	-	(394)	76	-	459	322
2018	2,706	95	24	2,825	2,706	172	(251)	2,626	8.9%	-	147	147	-	2,772	(53)	(447)	-	(447)	37	-	496	245
2019	2,920	69	26	3,015	2,920	133	(194)	2,859	8.9%	-	143	143	-	3,002	(13)	(460)	-	(460)	2	-	498	189
2020	3,151	51	26	3,228	3,151	105	(143)	3,113	8.9%	-	140	140	-	3,253	25	(434)	-	(434)	-	33	464	149
2021	3,400	39	24	3,464	3,400	83	(93)	3,390	8.9%	-	137	137	-	3,527	63	(372)	-	(372)	-	69	395	118
2022	3,670	29	21	3,719	3,670	66	(66)	3,670	8.3%	-	134	134	-	3,804	84	(288)	-	(288)	-	89	307	95
2023	3,960	22	16	3,999	3,960	50	(50)	3,960	7.9%	-	131	131	-	4,091	93	(195)	-	(195)	-	96	210	78
2024	4,274	18	11	4,303	4,274	37	(37)	4,274	7.9%	-	128	128	-	4,403	99	(95)	-	(95)	-	102	108	65
2025	4,613	14	6	4,633	4,613	26	(26)	4,613	7.9%	-	115	115	-	4,728	95	0	11	11	-	108	0	54
	47,874	3,098	198	51,170	47,874	3,596	(3,926)	47,544		336	3,228	3,564	3	51,111	-				544	544		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,175	2,468	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,606		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	90	-	90	1,577
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	63	26	1,625
2008	1,030	270	1	1,300	1,030	295	(165)	1,159	8.6%	42	100	142	-	1,300	-	(0)	389	389	-	26	-	1,657
2009	1,107	282	-	1,389	1,107	296	(166)	1,237	6.7%	42	110	152	-	1,389	-	(0)	467	467	-	-	-	1,669
2010	1,371	301	-	1,672	1,371	310	(326)	1,356	9.6%	42	274	316	-	1,672	-	(0)	381	381	-	-	-	1,586
2011	1,478	317	-	1,794	1,478	331	(322)	1,486	9.6%	42	266	308	-	1,794	-	(0)	296	296	-	-	-	1,460
2012	1,592	320	-	1,911	1,592	348	(311)	1,629	9.6%	42	240	282	-	1,911	-	(0)	230	230	31	-	31	1,304
2013	1,903	307	2	2,212	1,903	353	(470)	1,786	9.6%	42	384	426	-	2,212	-	(0)	16	16	166	-	197	1,066
2014	2,054	278	10	2,342	2,054	349	(446)	1,957	9.6%	-	181	181	-	2,138	(203)	(203)	-	(203)	176	-	373	847
2015	2,217	239	20	2,476	2,217	327	(398)	2,146	9.6%	-	160	160	-	2,305	(170)	(373)	-	(373)	132	-	504	655
2016	2,393	198	26	2,618	2,393	292	(334)	2,352	9.6%	-	155	155	-	2,507	(110)	(484)	-	(484)	78	-	583	494
2017	2,583	152	31	2,766	2,583	252	(257)	2,578	9.6%	-	151	151	-	2,729	(37)	(521)	-	(521)	12	-	595	371
2018	2,789	110	31	2,930	2,789	201	(201)	2,789	8.2%	-	147	147	-	2,936	6	(515)	-	(515)	-	24	571	282
2019	3,011	80	30	3,121	3,011	154	(154)	3,011	8.0%	-	144	144	-	3,154	34	(481)	-	(481)	-	47	524	218
2020	3,251	59	28	3,337	3,251	118	(118)	3,251	8.0%	-	140	140	-	3,391	54	(427)	-	(427)	-	63	461	172
2021	3,510	45	24	3,579	3,510	91	(91)	3,510	8.0%	-	137	137	-	3,647	68	(359)	-	(359)	-	75	386	136
2022	3,789	33	20	3,843	3,789	72	(72)	3,789	8.0%	-	134	134	-	3,923	80	(278)	-	(278)	-	86	300	110
2023	4,091	26	16	4,132	4,091	54	(54)	4,091	8.0%	-	131	131	-	4,222	90	(189)	-	(189)	-	94	207	90
2024	4,417	21	11	4,448	4,417	40	(40)	4,417	8.0%	-	128	128	-	4,545	97	(92)	-	(92)	-	100	107	75
2025	4,769	16	6	4,791	4,769	29	(29)	4,769	8.0%	-	113	113	-	4,882	92	0	13	13	-	107	0	63
	49,202	3,540	260	53,002	49,202	4,147	(3,954)	49,394		336	3,210	3,546	3	52,943	-				684	684		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 11.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,264	2,486	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,585		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	132	-	132	1,791
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	40	92	1,859
2008	1,030	304	5	1,338	1,030	320	(180)	1,170	9.5%	42	126	168	-	1,338	-	(0)	345	345	-	58	34	1,896
2009	1,107	319	2	1,428	1,107	336	(189)	1,254	7.2%	42	131	173	-	1,428	-	(0)	401	401	-	34	-	1,908
2010	1,394	344	-	1,738	1,394	351	(350)	1,395	11.3%	42	301	343	-	1,738	-	(0)	286	286	76	-	76	1,811
2011	1,502	364	4	1,870	1,502	383	(333)	1,552	11.3%	42	276	318	-	1,870	-	(0)	191	191	66	-	142	1,662
2012	1,619	365	7	1,992	1,619	409	(300)	1,727	11.3%	42	223	265	-	1,992	-	(0)	144	144	11	-	153	1,483
2013	1,956	351	8	2,314	1,956	411	(445)	1,922	11.3%	42	315	357	-	2,279	(35)	(35)	-	(35)	125	-	277	1,211
2014	2,112	316	15	2,442	2,112	402	(402)	2,112	9.9%	-	166	166	-	2,278	(164)	(200)	-	(200)	114	-	392	962
2015	2,280	272	21	2,573	2,280	370	(370)	2,280	8.0%	-	161	161	-	2,441	(132)	(331)	-	(331)	88	-	480	743
2016	2,463	225	25	2,713	2,463	327	(327)	2,463	8.0%	-	156	156	-	2,619	(94)	(425)	-	(425)	57	-	537	561
2017	2,660	172	28	2,860	2,660	278	(278)	2,660	8.0%	-	152	152	-	2,811	(49)	(474)	-	(474)	21	-	558	421
2018	2,872	125	29	3,027	2,872	221	(221)	2,872	8.0%	-	148	148	-	3,020	(7)	(480)	-	(480)	-	14	545	321
2019	3,102	90	29	3,221	3,102	169	(169)	3,102	8.0%	-	144	144	-	3,246	25	(456)	-	(456)	-	39	505	248
2020	3,350	66	27	3,443	3,350	129	(129)	3,350	8.0%	-	140	140	-	3,491	48	(408)	-	(408)	-	58	447	195
2021	3,619	51	23	3,693	3,619	99	(99)	3,619	8.0%	-	137	137	-	3,756	63	(345)	-	(345)	-	71	376	155
2022	3,908	38	20	3,966	3,908	78	(78)	3,908	8.0%	-	134	134	-	4,043	77	(269)	-	(269)	-	82	294	125
2023	4,222	29	15	4,266	4,222	59	(59)	4,222	8.0%	-	131	131	-	4,353	87	(182)	-	(182)	-	91	203	103
2024	4,560	23	11	4,594	4,560	44	(44)	4,560	8.0%	-	129	129	-	4,688	94	(88)	-	(88)	-	98	105	85
2025	4,925	18	6	4,949	4,925	32	(32)	4,925	8.0%	-	112	112	-	5,037	88	0	14	14	-	105	0	71
	50,529	3,982	281	54,792	50,529	4,652	(4,003)	51,178		336	3,216	3,552	3	54,733	-				690	690		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 20.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,342	2,490	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,544		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	174	-	174	2,001
2007	958	286	9	1,253	958	112	-	1,070	5.3%	42	136	178	0	1,247	(6)	(0)	280	280	-	33	141	2,107
2008	1,030	338	7	1,375	1,030	323	(181)	1,171	9.5%	42	162	204	-	1,375	-	(0)	312	312	-	23	118	2,150
2009	1,107	357	6	1,470	1,107	379	(213)	1,273	8.7%	42	155	197	-	1,470	-	(0)	347	347	-	32	86	2,162
2010	1,417	390	5	1,811	1,417	398	(278)	1,536	20.7%	42	233	275	-	1,811	-	(0)	300	300	24	-	109	2,049
2011	1,527	415	6	1,948	1,527	435	(244)	1,718	11.8%	42	188	230	-	1,948	-	(0)	295	295	-	30	80	1,876
2012	1,646	414	4	2,065	1,646	461	(259)	1,848	7.6%	42	174	216	-	2,065	-	(0)	298	298	-	45	35	1,669
2013	2,009	397	2	2,407	2,009	458	(458)	2,009	8.7%	42	356	398	-	2,407	-	(0)	115	115	122	-	158	1,362
2014	2,170	355	8	2,534	2,170	445	(445)	2,170	8.0%	-	282	282	-	2,452	(82)	(82)	-	(82)	140	-	298	1,081
2015	2,344	306	16	2,666	2,344	408	(408)	2,344	8.0%	-	162	162	-	2,506	(160)	(242)	-	(242)	111	-	409	835
2016	2,532	252	21	2,806	2,532	360	(360)	2,532	8.0%	-	157	157	-	2,689	(117)	(359)	-	(359)	76	-	485	631
2017	2,736	193	25	2,954	2,736	306	(306)	2,736	8.0%	-	152	152	-	2,888	(66)	(425)	-	(425)	35	-	520	474
2018	2,956	140	27	3,123	2,956	242	(242)	2,956	8.0%	-	148	148	-	3,104	(20)	(445)	-	(445)	-	3	517	360
2019	3,193	102	27	3,322	3,193	184	(184)	3,193	8.0%	-	144	144	-	3,338	15	(430)	-	(430)	-	32	485	279
2020	3,450	74	25	3,550	3,450	140	(140)	3,450	8.0%	-	141	141	-	3,591	41	(389)	-	(389)	-	53	433	220
2021	3,728	57	23	3,808	3,728	107	(107)	3,728	8.0%	-	137	137	-	3,865	57	(331)	-	(331)	-	67	366	175
2022	4,028	43	19	4,090	4,028	84	(84)	4,028	8.0%	-	134	134	-	4,162	72	(259)	-	(259)	-	79	287	141
2023	4,352	33	15	4,400	4,352	63	(63)	4,352	8.1%	-	131	131	-	4,484	83	(175)	-	(175)	-	88	199	116
2024	4,703	27	10	4,740	4,703	48	(48)	4,703	8.1%	-	129	129	-	4,831	92	(84)	-	(84)	-	96	103	96
2025	5,081	21	5	5,107	5,081	35	(35)	5,081	8.1%	-	110	110	-	5,191	84	0	16	16	-	103	0	80
	51,857	4,423	263	56,542	51,857	5,113	(4,056)	52,914		336	3,231	3,567	3	56,483	-				683	683		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, NF*
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,217	2,522	290	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,559		2025 Ending Surplus / (Deficit)		(505)	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	217	-	217	2,211
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,250	(6)	(0)	281	281	-	26	190	2,355
2008	1,030	372	10	1,412	1,030	326	(183)	1,172	9.5%	42	198	240	-	1,412	-	(0)	279	279	12	-	202	2,403
2009	1,107	395	11	1,512	1,107	421	(237)	1,292	10.2%	42	178	220	-	1,512	-	(0)	292	292	-	11	191	2,417
2010	1,440	435	10	1,885	1,440	445	(250)	1,635	26.6%	42	208	250	-	1,885	-	(0)	273	273	-	7	185	2,287
2011	1,552	465	10	2,027	1,552	489	(275)	1,767	8.1%	42	218	260	-	2,027	-	(0)	239	239	-	6	179	2,089
2012	1,673	464	9	2,146	1,673	522	(293)	1,902	7.7%	42	202	244	-	2,146	-	(0)	216	216	-	24	155	1,856
2013	2,062	442	8	2,512	2,062	519	(519)	2,062	8.4%	42	391	433	-	2,494	(18)	(18)	-	(18)	166	-	320	1,513
2014	2,228	395	17	2,640	2,228	505	(505)	2,228	8.1%	-	168	168	-	2,396	(244)	(262)	-	(262)	181	-	502	1,201
2015	2,408	340	26	2,774	2,408	464	(464)	2,408	8.1%	-	163	163	-	2,570	(204)	(466)	-	(466)	149	-	651	928
2016	2,602	280	34	2,916	2,602	412	(412)	2,602	8.1%	-	157	157	-	2,759	(157)	(622)	-	(622)	111	-	763	700
2017	2,812	214	40	3,066	2,812	352	(352)	2,812	8.1%	-	153	153	-	2,965	(101)	(724)	-	(724)	66	-	829	527
2018	3,039	156	44	3,239	3,039	283	(283)	3,039	8.1%	-	148	148	-	3,187	(51)	(775)	-	(775)	26	-	855	400
2019	3,285	113	45	3,443	3,285	221	(221)	3,285	8.1%	-	144	144	-	3,429	(13)	(788)	-	(788)	-	5	850	310
2020	3,550	82	45	3,677	3,550	173	(173)	3,550	8.1%	-	141	141	-	3,691	14	(774)	-	(774)	-	27	823	244
2021	3,837	63	43	3,944	3,837	138	(138)	3,837	8.1%	-	138	138	-	3,975	31	(743)	-	(743)	-	41	782	194
2022	4,147	47	41	4,236	4,147	115	(115)	4,147	8.1%	-	134	134	-	4,282	46	(697)	-	(697)	-	53	729	157
2023	4,483	37	38	4,558	4,483	94	(94)	4,483	8.1%	-	132	132	-	4,614	57	(641)	-	(641)	-	62	667	129
2024	4,845	30	35	4,910	4,845	79	(79)	4,845	8.1%	-	129	129	-	4,974	64	(577)	-	(577)	-	69	598	106
2025	5,237	23	31	5,292	5,237	67	(67)	5,237	8.1%	-	126	126	-	5,363	72	(505)	-	(505)	-	75	523	89
	53,185	4,864	509	58,557	53,185	5,865	(4,660)	54,389		336	3,265	3,601	3	57,993	(505)				928	405		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits. Premium stabilization does not appear financially feasible under the assumed scenario.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,049	2,448	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,602		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	45	-	45	1,351
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,376
2008	1,059	235	-	1,295	1,059	256	(159)	1,157	8.5%	42	96	138	-	1,295	-	(0)	425	425	-	-	-	1,390
2009	1,170	243	-	1,413	1,170	259	(174)	1,254	8.5%	42	117	159	-	1,413	-	(0)	498	498	-	-	-	1,385
2010	1,290	254	-	1,545	1,290	268	(198)	1,361	8.5%	42	142	184	-	1,545	-	(0)	545	545	-	-	-	1,356
2011	1,422	263	-	1,685	1,422	280	(226)	1,476	8.5%	42	167	209	-	1,685	-	(0)	566	566	-	-	-	1,302
2012	1,565	266	-	1,831	1,565	290	(254)	1,601	8.5%	42	188	230	-	1,831	-	(0)	564	564	-	-	-	1,225
2013	1,721	260	-	1,981	1,721	292	(277)	1,736	8.5%	42	203	245	-	1,981	-	(0)	543	543	-	-	-	1,129
2014	1,892	248	-	2,140	1,892	286	(295)	1,883	8.5%	-	257	257	-	2,140	-	(0)	464	464	-	-	-	1,014
2015	2,079	231	-	2,310	2,079	272	(309)	2,043	8.5%	-	268	268	-	2,310	-	(0)	368	368	-	-	-	881
2016	2,283	213	-	2,496	2,283	255	(322)	2,215	8.5%	-	281	281	-	2,496	-	(0)	252	252	-	-	-	737
2017	2,507	190	-	2,697	2,507	234	(338)	2,403	8.5%	-	294	294	-	2,697	-	(0)	115	115	2	-	2	587
2018	2,706	163	0	2,869	2,706	209	(308)	2,606	8.5%	-	263	263	-	2,869	-	(0)	1	1	88	-	90	456
2019	2,920	134	5	3,058	2,920	185	(278)	2,827	8.5%	-	146	146	-	2,973	(85)	(85)	-	(85)	65	-	155	348
2020	3,151	105	8	3,264	3,151	156	(241)	3,066	8.5%	-	141	141	-	3,207	(56)	(141)	-	(141)	39	-	194	264
2021	3,400	78	10	3,488	3,400	126	(201)	3,326	8.5%	-	138	138	-	3,463	(25)	(166)	-	(166)	12	-	206	201
2022	3,670	57	11	3,737	3,670	98	(160)	3,607	8.5%	-	135	135	-	3,742	4	(162)	-	(162)	-	13	193	155
2023	3,960	42	10	4,012	3,960	74	(122)	3,913	8.5%	-	132	132	-	4,044	32	(130)	-	(130)	-	38	155	122
2024	4,274	31	8	4,314	4,274	55	(86)	4,244	8.5%	-	129	129	-	4,372	59	(72)	-	(72)	-	64	91	97
2025	4,613	24	5	4,642	4,613	40	(50)	4,603	8.5%	-	110	110	-	4,713	72	0	16	16	-	91	0	79
	47,531	3,493	59	51,083	47,531	3,867	(3,997)	47,402		336	3,284	3,620	3	51,024	-				251	251		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,148	2,462	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,585		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	88	-	88	1,567
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	0	299	299	-	67	20	1,596
2008	1,064	269	1	1,334	1,064	294	(195)	1,163	9.0%	42	129	171	-	1,334	-	0	359	359	-	20	-	1,612
2009	1,179	280	-	1,459	1,179	296	(207)	1,268	9.0%	42	149	191	-	1,459	-	0	397	397	-	-	-	1,606
2010	1,305	296	-	1,600	1,305	308	(231)	1,382	9.0%	42	176	218	-	1,600	-	0	406	406	-	-	-	1,570
2011	1,442	307	-	1,749	1,442	325	(261)	1,506	9.0%	42	201	243	-	1,749	-	0	388	388	-	-	-	1,503
2012	1,592	308	-	1,900	1,592	338	(288)	1,641	9.0%	42	217	259	-	1,900	-	0	349	349	-	-	-	1,412
2013	1,756	301	-	2,057	1,756	339	(306)	1,789	9.0%	42	226	268	-	2,057	-	0	297	297	-	-	-	1,298
2014	1,935	285	-	2,221	1,935	331	(317)	1,950	9.0%	-	271	271	-	2,221	-	0	194	194	39	-	39	1,166
2015	2,132	267	2	2,400	2,132	316	(323)	2,125	9.0%	-	276	276	-	2,400	-	0	81	81	82	-	122	1,012
2016	2,347	244	6	2,598	2,347	300	(332)	2,316	9.0%	-	239	239	-	2,555	(43)	(43)	-	(43)	91	-	212	846
2017	2,583	218	11	2,813	2,583	281	(340)	2,524	9.0%	-	154	154	-	2,678	(135)	(178)	-	(178)	100	-	313	674
2018	2,789	187	16	2,993	2,789	258	(296)	2,751	9.0%	-	150	150	-	2,900	(92)	(270)	-	(270)	63	-	375	524
2019	3,011	153	20	3,184	3,011	228	(241)	2,998	9.0%	-	145	145	-	3,144	(41)	(311)	-	(311)	16	-	391	400
2020	3,251	120	21	3,391	3,251	191	(191)	3,251	8.4%	-	142	142	-	3,392	1	(310)	-	(310)	-	21	370	303
2021	3,510	89	19	3,618	3,510	153	(153)	3,510	8.0%	-	138	138	-	3,648	29	(280)	-	(280)	-	44	327	231
2022	3,789	65	17	3,872	3,789	117	(117)	3,789	8.0%	-	135	135	-	3,924	52	(228)	-	(228)	-	63	264	178
2023	4,091	48	14	4,153	4,091	87	(87)	4,091	8.0%	-	132	132	-	4,223	70	(159)	-	(159)	-	77	187	140
2024	4,417	36	10	4,463	4,417	64	(64)	4,417	8.0%	-	129	129	-	4,546	83	(76)	-	(76)	-	89	98	112
2025	4,769	27	5	4,802	4,769	45	(45)	4,769	8.0%	-	108	108	-	4,877	76	(0)	18	18	-	98	0	90
	48,810	3,991	147	52,948	48,810	4,507	(3,995)	49,322		336	3,228	3,564	3	52,889	-				479	479		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,237	2,487	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,575		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	130	-	130	1,780
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	45	86	1,826
2008	1,068	303	4	1,376	1,068	320	(214)	1,174	9.8%	42	160	202	-	1,376	-	(0)	311	311	-	27	58	1,845
2009	1,188	317	3	1,508	1,188	337	(236)	1,289	9.8%	42	177	219	-	1,508	-	(0)	321	321	-	12	46	1,838
2010	1,319	338	2	1,660	1,319	351	(254)	1,416	9.8%	42	202	244	-	1,660	-	(0)	303	303	9	-	55	1,793
2011	1,462	353	3	1,818	1,462	375	(283)	1,555	9.8%	42	221	263	-	1,818	-	(0)	263	263	24	-	80	1,711
2012	1,619	353	4	1,976	1,619	393	(304)	1,708	9.8%	42	225	267	-	1,976	-	(0)	214	214	27	-	107	1,604
2013	1,791	343	6	2,140	1,791	394	(308)	1,876	9.8%	42	221	263	-	2,140	-	(0)	165	165	22	-	130	1,472
2014	1,979	324	7	2,310	1,979	385	(303)	2,061	9.8%	-	249	249	-	2,310	-	(0)	84	84	50	-	180	1,320
2015	2,185	303	9	2,497	2,185	367	(288)	2,264	9.8%	-	233	233	-	2,497	-	(0)	15	15	34	-	214	1,145
2016	2,411	277	11	2,699	2,411	345	(270)	2,487	9.8%	-	174	174	-	2,661	(38)	(38)	-	(38)	15	-	230	956
2017	2,660	247	12	2,918	2,660	318	(318)	2,660	7.0%	-	155	155	-	2,814	(104)	(142)	-	(142)	65	-	295	762
2018	2,872	212	15	3,100	2,872	288	(288)	2,872	8.0%	-	150	150	-	3,023	(77)	(220)	-	(220)	43	-	338	592
2019	3,102	173	18	3,293	3,102	253	(253)	3,102	8.0%	-	146	146	-	3,248	(45)	(265)	-	(265)	17	-	355	452
2020	3,350	135	19	3,504	3,350	211	(211)	3,350	8.0%	-	142	142	-	3,492	(12)	(277)	-	(277)	-	10	345	343
2021	3,619	101	18	3,738	3,619	169	(169)	3,619	8.0%	-	138	138	-	3,757	19	(257)	-	(257)	-	36	310	261
2022	3,908	74	16	3,999	3,908	129	(129)	3,908	8.0%	-	135	135	-	4,044	45	(212)	-	(212)	-	57	253	202
2023	4,222	55	13	4,290	4,222	96	(96)	4,222	8.0%	-	132	132	-	4,353	64	(148)	-	(148)	-	73	180	159
2024	4,560	41	9	4,610	4,560	71	(71)	4,560	8.0%	-	129	129	-	4,689	79	(70)	-	(70)	-	85	95	127
2025	4,925	31	5	4,961	4,925	50	(50)	4,925	8.0%	-	106	106	-	5,031	70	0	21	21	-	95	0	103
	50,088	4,489	183	54,760	50,088	5,088	(4,044)	51,133		336	3,230	3,566	3	54,701	-				439	439		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,321	2,511	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,561		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	172	-	172	1,989
2007	958	286	9	1,253	958	112	-	1,070	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	38	134	2,071
2008	1,072	338	7	1,417	1,072	323	(209)	1,185	10.8%	42	189	231	-	1,417	-	(0)	284	284	1	-	135	2,093
2009	1,197	355	7	1,559	1,197	379	(262)	1,314	10.8%	42	203	245	-	1,559	-	(0)	271	271	11	-	146	2,084
2010	1,333	383	8	1,725	1,333	399	(276)	1,456	10.8%	42	226	268	-	1,725	-	(0)	230	230	29	-	175	2,029
2011	1,483	403	9	1,895	1,483	432	(300)	1,614	10.8%	42	238	280	-	1,895	-	(0)	174	174	37	-	212	1,930
2012	1,646	400	11	2,057	1,646	455	(312)	1,789	10.8%	42	226	268	-	2,057	-	(0)	126	126	23	-	235	1,804
2013	1,825	388	12	2,226	1,825	454	(296)	1,983	10.8%	42	201	243	-	2,226	-	(0)	99	99	-	3	231	1,652
2014	2,022	365	12	2,399	2,022	441	(264)	2,198	10.8%	-	201	201	-	2,399	-	(0)	67	67	-	3	228	1,479
2015	2,238	340	12	2,590	2,238	415	(233)	2,420	10.1%	-	170	170	-	2,590	-	(0)	62	62	-	34	194	1,282
2016	2,475	310	10	2,795	2,475	386	(216)	2,644	9.3%	-	151	151	-	2,795	-	(0)	71	71	-	51	143	1,070
2017	2,736	276	8	3,019	2,736	350	(350)	2,736	3.5%	-	227	227	-	2,963	(57)	(57)	-	(57)	84	-	227	852
2018	2,956	237	12	3,205	2,956	317	(317)	2,956	8.0%	-	151	151	-	3,107	(98)	(155)	-	(155)	60	-	288	663
2019	3,193	194	15	3,402	3,193	278	(278)	3,193	8.0%	-	147	147	-	3,340	(62)	(218)	-	(218)	31	-	319	506
2020	3,450	151	17	3,618	3,450	232	(232)	3,450	8.0%	-	142	142	-	3,593	(25)	(243)	-	(243)	1	-	320	384
2021	3,728	113	17	3,857	3,728	184	(184)	3,728	8.0%	-	139	139	-	3,867	9	(233)	-	(233)	-	27	292	293
2022	4,028	83	15	4,126	4,028	141	(141)	4,028	8.0%	-	135	135	-	4,163	37	(196)	-	(196)	-	51	242	227
2023	4,352	61	13	4,426	4,352	105	(105)	4,352	8.1%	-	132	132	-	4,484	58	(138)	-	(138)	-	68	174	178
2024	4,703	46	9	4,757	4,703	77	(77)	4,703	8.1%	-	129	129	-	4,832	74	(64)	-	(64)	-	81	92	142
2025	5,081	35	5	5,121	5,081	56	(56)	5,081	8.1%	-	103	103	-	5,185	64	0	23	23	-	92	0	115
	51,367	4,986	208	56,561	51,367	5,657	(4,108)	52,916		336	3,248	3,584	3	56,502	-				450	450		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 13.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,396	2,504	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,507		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	214	-	214	2,198
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,249	(6)	(0)	281	281	-	32	182	2,315
2008	1,077	372	10	1,458	1,077	325	(184)	1,217	13.7%	42	199	241	-	1,458	-	(0)	277	277	9	-	191	2,341
2009	1,206	392	10	1,608	1,206	420	(242)	1,384	13.7%	42	182	224	-	1,608	-	(0)	287	287	-	12	179	2,331
2010	1,348	428	9	1,785	1,348	442	(248)	1,542	11.4%	42	202	244	-	1,785	-	(0)	273	273	1	-	180	2,265
2011	1,503	452	9	1,965	1,503	481	(270)	1,714	11.2%	42	208	250	-	1,965	-	(0)	249	249	1	-	181	2,149
2012	1,673	448	10	2,131	1,673	508	(285)	1,896	10.6%	42	193	235	-	2,131	-	(0)	236	236	-	16	165	2,004
2013	1,860	433	9	2,302	1,860	502	(282)	2,080	9.7%	42	180	222	-	2,302	-	(0)	232	232	-	30	134	1,832
2014	2,065	406	7	2,478	2,065	484	(272)	2,278	9.5%	-	200	200	-	2,478	-	(0)	202	202	-	9	125	1,639
2015	2,291	378	7	2,675	2,291	454	(255)	2,490	9.3%	-	185	185	-	2,675	-	(0)	183	183	-	25	100	1,419
2016	2,539	344	5	2,888	2,539	421	(237)	2,724	9.4%	-	164	164	-	2,888	-	(0)	181	181	-	44	56	1,183
2017	2,812	305	3	3,120	2,812	381	(381)	2,812	3.2%	-	308	308	-	3,120	-	(0)	29	29	103	-	160	943
2018	3,039	263	8	3,310	3,039	345	(345)	3,039	8.1%	-	181	181	-	3,220	(90)	(90)	-	(90)	77	-	237	733
2019	3,285	214	12	3,512	3,285	303	(303)	3,285	8.1%	-	147	147	-	3,432	(80)	(170)	-	(170)	45	-	282	560
2020	3,550	167	15	3,732	3,550	252	(252)	3,550	8.1%	-	143	143	-	3,693	(39)	(209)	-	(209)	12	-	294	425
2021	3,837	124	15	3,977	3,837	200	(200)	3,837	8.1%	-	139	139	-	3,976	(1)	(210)	-	(210)	-	19	275	324
2022	4,147	91	14	4,253	4,147	153	(153)	4,147	8.1%	-	136	136	-	4,283	30	(180)	-	(180)	-	44	230	251
2023	4,483	68	12	4,563	4,483	114	(114)	4,483	8.1%	-	132	132	-	4,615	52	(128)	-	(128)	-	63	167	197
2024	4,845	51	9	4,905	4,845	84	(84)	4,845	8.1%	-	129	129	-	4,975	70	(58)	-	(58)	-	78	89	157
2025	5,237	38	5	5,280	5,237	61	(61)	5,237	8.1%	-	101	101	-	5,338	58	(0)	25	25	-	89	0	127
	52,646	5,484	181	58,310	52,646	6,169	(4,168)	54,647		336	3,265	3,601	3	58,251	-				462	462		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,078	2,455	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,620		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	43	-	43	1,343
2007	958	233	2	1,193	958	108	-	1,066	5.0%	42	79	121	0	1,187	(6)	0	332	332	-	43	-	1,348
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	0	398	398	-	-	-	1,316
2009	1,226	242	-	1,468	1,226	258	(230)	1,255	8.5%	42	171	213	-	1,468	-	0	416	416	-	-	-	1,239
2010	1,376	248	-	1,624	1,376	266	(281)	1,361	8.5%	42	221	263	-	1,624	-	0	380	380	-	-	-	1,113
2011	1,538	248	-	1,786	1,538	273	(335)	1,476	8.5%	42	268	310	-	1,786	-	0	294	294	-	-	-	949
2012	1,714	236	-	1,950	1,714	273	(386)	1,601	8.5%	42	307	349	-	1,950	-	0	162	162	-	-	-	765
2013	1,849	209	-	2,059	1,849	259	(372)	1,737	8.5%	42	280	322	-	2,059	-	0	48	48	72	-	72	598
2014	1,996	174	4	2,173	1,996	234	(346)	1,884	8.5%	-	209	209	-	2,093	(80)	(80)	-	(80)	100	-	171	458
2015	2,153	136	9	2,298	2,153	201	(310)	2,044	8.5%	-	157	157	-	2,201	(97)	(177)	-	(177)	75	-	247	348
2016	2,323	102	13	2,439	2,323	164	(270)	2,217	8.5%	-	153	153	-	2,370	(68)	(245)	-	(245)	52	-	298	265
2017	2,507	75	16	2,598	2,507	130	(231)	2,405	8.5%	-	149	149	-	2,555	(44)	(289)	-	(289)	31	-	330	205
2018	2,706	55	17	2,778	2,706	102	(198)	2,609	8.5%	-	146	146	-	2,755	(23)	(312)	-	(312)	15	-	344	161
2019	2,920	41	18	2,979	2,920	81	(170)	2,830	8.5%	-	143	143	-	2,973	(6)	(318)	-	(318)	-	0	344	129
2020	3,151	32	18	3,201	3,151	65	(146)	3,070	8.5%	-	139	139	-	3,210	9	(309)	-	(309)	-	14	330	104
2021	3,400	24	17	3,442	3,400	54	(124)	3,330	8.5%	-	136	136	-	3,467	25	(284)	-	(284)	-	29	301	85
2022	3,670	19	16	3,705	3,670	44	(101)	3,613	8.5%	-	134	134	-	3,746	42	(243)	-	(243)	-	44	257	70
2023	3,960	15	13	3,989	3,960	36	(78)	3,919	8.5%	-	131	131	-	4,050	61	(182)	-	(182)	-	63	194	58
2024	4,274	12	10	4,297	4,274	28	(51)	4,251	8.5%	-	128	128	-	4,379	82	(100)	-	(100)	-	84	110	49
2025	4,613	10	6	4,629	4,613	20	(21)	4,611	8.5%	-	117	117	-	4,729	100	0	8	8	-	110	0	41
	48,313	2,570	160	51,043	48,313	2,978	(3,836)	47,455		336	3,191	3,527	3	50,984	-				387	387		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,192	2,471	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,618		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	86	-	86	1,557
2007	958	267	4	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	72	14	1,564
2008	1,096	269	1	1,365	1,096	294	(226)	1,164	9.0%	42	159	201	-	1,365	-	(0)	328	328	-	14	-	1,528
2009	1,243	278	-	1,521	1,243	295	(270)	1,269	9.0%	42	210	252	-	1,521	-	(0)	304	304	-	-	-	1,440
2010	1,402	289	-	1,691	1,402	305	(324)	1,383	9.0%	42	266	308	-	1,691	-	(0)	220	220	38	-	38	1,292
2011	1,575	290	2	1,867	1,575	320	(386)	1,508	9.0%	42	316	358	-	1,867	-	(0)	80	80	102	-	140	1,100
2012	1,763	274	7	2,044	1,763	327	(445)	1,645	9.0%	42	251	293	-	1,938	(106)	(106)	-	(106)	143	-	283	885
2013	1,903	243	15	2,160	1,903	318	(427)	1,793	9.0%	42	167	209	-	2,002	(159)	(265)	-	(265)	120	-	403	691
2014	2,054	201	21	2,276	2,054	291	(389)	1,955	9.0%	-	162	162	-	2,117	(159)	(424)	-	(424)	127	-	530	530
2015	2,217	157	28	2,402	2,217	252	(337)	2,132	9.0%	-	157	157	-	2,289	(113)	(537)	-	(537)	88	-	617	402
2016	2,393	118	32	2,544	2,393	209	(278)	2,324	9.0%	-	153	153	-	2,477	(66)	(603)	-	(603)	47	-	664	307
2017	2,583	87	35	2,705	2,583	168	(218)	2,534	9.0%	-	150	150	-	2,683	(22)	(625)	-	(625)	8	-	672	237
2018	2,789	64	35	2,889	2,789	134	(161)	2,763	9.0%	-	146	146	-	2,909	20	(604)	-	(604)	-	30	642	186
2019	3,011	48	34	3,092	3,011	108	(108)	3,011	9.0%	-	143	143	-	3,154	61	(543)	-	(543)	-	69	573	149
2020	3,251	37	30	3,317	3,251	86	(86)	3,251	8.0%	-	140	140	-	3,390	73	(470)	-	(470)	-	79	494	120
2021	3,510	28	26	3,564	3,510	69	(69)	3,510	8.0%	-	137	137	-	3,646	82	(388)	-	(388)	-	87	407	98
2022	3,789	22	21	3,833	3,789	55	(55)	3,789	8.0%	-	134	134	-	3,923	90	(298)	-	(298)	-	93	314	81
2023	4,091	18	16	4,125	4,091	43	(43)	4,091	8.0%	-	131	131	-	4,222	97	(201)	-	(201)	-	99	215	67
2024	4,417	14	11	4,443	4,417	32	(32)	4,417	8.0%	-	128	128	-	4,545	103	(99)	-	(99)	-	105	110	57
2025	4,769	12	6	4,787	4,769	22	(22)	4,769	8.0%	-	116	116	-	4,885	99	0	10	10	-	110	0	48
	49,703	2,937	326	52,966	49,703	3,560	(3,875)	49,389		336	3,179	3,515	3	52,907	-				758	758		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,288	2,491	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,607		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	128	-	128	1,769
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	50	78	1,790
2008	1,104	303	4	1,411	1,104	319	(248)	1,175	10.0%	42	193	235	-	1,411	-	(0)	277	277	-	5	73	1,751
2009	1,260	314	4	1,579	1,260	337	(305)	1,293	10.0%	42	244	286	-	1,579	-	(0)	220	220	37	-	110	1,650
2010	1,429	331	6	1,765	1,429	352	(359)	1,422	10.0%	42	301	343	-	1,765	-	(0)	102	102	84	-	194	1,480
2011	1,612	334	10	1,956	1,612	375	(422)	1,565	10.0%	42	280	322	-	1,886	(70)	(70)	-	(70)	127	-	321	1,257
2012	1,811	314	17	2,142	1,811	386	(476)	1,721	10.0%	42	173	215	-	1,936	(206)	(275)	-	(275)	157	-	478	1,011
2013	1,956	278	25	2,259	1,956	373	(435)	1,894	10.0%	42	168	210	-	2,103	(156)	(431)	-	(431)	111	-	589	789
2014	2,112	229	31	2,372	2,112	340	(369)	2,083	10.0%	-	163	163	-	2,246	(126)	(557)	-	(557)	89	-	678	605
2015	2,280	180	36	2,496	2,280	291	(291)	2,280	9.5%	-	158	158	-	2,438	(58)	(615)	-	(615)	28	-	707	459
2016	2,463	135	37	2,634	2,463	239	(239)	2,463	8.0%	-	154	154	-	2,616	(18)	(633)	-	(633)	-	4	703	350
2017	2,660	99	37	2,795	2,660	189	(189)	2,660	8.0%	-	150	150	-	2,809	14	(619)	-	(619)	-	30	673	271
2018	2,872	74	35	2,981	2,872	148	(148)	2,872	8.0%	-	146	146	-	3,019	37	(582)	-	(582)	-	49	624	213
2019	3,102	54	33	3,189	3,102	117	(117)	3,102	8.0%	-	143	143	-	3,245	56	(526)	-	(526)	-	64	560	170
2020	3,350	42	29	3,421	3,350	92	(92)	3,350	8.0%	-	140	140	-	3,490	69	(457)	-	(457)	-	75	484	137
2021	3,619	32	25	3,676	3,619	74	(74)	3,619	8.0%	-	137	137	-	3,755	79	(378)	-	(378)	-	84	400	112
2022	3,908	26	21	3,955	3,908	59	(59)	3,908	8.0%	-	134	134	-	4,042	87	(291)	-	(291)	-	91	309	93
2023	4,222	20	16	4,258	4,222	46	(46)	4,222	8.0%	-	131	131	-	4,353	94	(196)	-	(196)	-	97	212	77
2024	4,560	16	11	4,587	4,560	35	(35)	4,560	8.0%	-	128	128	-	4,688	101	(96)	-	(96)	-	103	109	65
2025	4,925	13	6	4,944	4,925	24	(24)	4,925	8.0%	-	115	115	-	5,040	96	(0)	11	11	-	109	0	55
	51,094	3,303	390	54,787	51,094	4,031	(3,926)	51,199		336	3,190	3,526	3	54,728	-				762	762		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 11.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,370	2,505	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,578		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	170	-	170	1,977
2007	958	286	9	1,253	958	112	-	1,069	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	44	126	2,031
2008	1,112	337	7	1,456	1,112	322	(237)	1,197	11.9%	42	217	259	-	1,456	-	(0)	256	256	16	-	142	1,988
2009	1,277	352	7	1,637	1,277	379	(316)	1,340	11.9%	42	255	297	-	1,637	-	(0)	190	190	44	-	185	1,876
2010	1,456	375	10	1,840	1,456	398	(353)	1,500	11.9%	42	298	340	-	1,840	-	(0)	77	77	75	-	260	1,681
2011	1,649	381	14	2,044	1,649	427	(397)	1,679	11.9%	42	256	298	-	1,977	(67)	(67)	-	(67)	92	-	352	1,425
2012	1,859	357	18	2,235	1,859	440	(440)	1,859	10.7%	42	174	216	-	2,076	(160)	(226)	-	(226)	104	-	455	1,146
2013	2,009	316	24	2,348	2,009	419	(419)	2,009	8.0%	42	169	211	-	2,219	(129)	(355)	-	(355)	79	-	534	893
2014	2,170	259	28	2,457	2,170	378	(378)	2,170	8.0%	-	163	163	-	2,333	(124)	(479)	-	(479)	82	-	616	684
2015	2,344	204	32	2,580	2,344	321	(321)	2,344	8.0%	-	159	159	-	2,503	(78)	(557)	-	(557)	45	-	661	519
2016	2,532	152	35	2,719	2,532	262	(262)	2,532	8.0%	-	154	154	-	2,687	(33)	(590)	-	(590)	8	-	669	396
2017	2,736	112	35	2,883	2,736	206	(206)	2,736	8.0%	-	150	150	-	2,886	3	(586)	-	(586)	-	21	648	307
2018	2,956	83	34	3,073	2,956	160	(160)	2,956	8.0%	-	147	147	-	3,102	29	(557)	-	(557)	-	42	605	240
2019	3,193	62	32	3,287	3,193	127	(127)	3,193	8.0%	-	143	143	-	3,337	50	(508)	-	(508)	-	59	546	192
2020	3,450	47	29	3,526	3,450	99	(99)	3,450	8.0%	-	140	140	-	3,590	64	(443)	-	(443)	-	72	474	155
2021	3,728	36	25	3,789	3,728	79	(79)	3,728	8.0%	-	137	137	-	3,865	76	(367)	-	(367)	-	81	393	127
2022	4,028	29	21	4,078	4,028	63	(63)	4,028	8.0%	-	134	134	-	4,162	84	(283)	-	(283)	-	89	304	105
2023	4,352	23	16	4,391	4,352	49	(49)	4,352	8.1%	-	131	131	-	4,483	92	(191)	-	(191)	-	95	209	87
2024	4,703	19	11	4,732	4,703	38	(38)	4,703	8.1%	-	128	128	-	4,831	99	(93)	-	(93)	-	102	107	73
2025	5,081	15	6	5,102	5,081	27	(27)	5,081	8.1%	-	113	113	-	5,195	93	0	12	12	-	107	0	62
	52,484	3,669	391	56,544	52,484	4,431	(3,973)	52,943		336	3,204	3,540	3	56,485	-				713	713		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 14.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,448	2,511	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,538		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	211	-	211	2,185
2007	958	286	11	1,255	958	113	-	1,070	5.4%	42	137	179	0	1,249	(6)	0	281	281	-	38	174	2,272
2008	1,121	371	9	1,501	1,121	325	(215)	1,230	14.9%	42	229	271	-	1,501	-	0	247	247	25	-	199	2,225
2009	1,295	389	10	1,694	1,295	420	(301)	1,414	14.9%	42	238	280	-	1,694	-	0	199	199	23	-	221	2,101
2010	1,482	419	12	1,912	1,482	441	(298)	1,625	14.9%	42	246	288	-	1,912	-	0	139	139	16	-	237	1,882
2011	1,686	429	12	2,127	1,686	474	(293)	1,867	14.9%	42	218	260	-	2,127	-	0	103	103	-	21	216	1,594
2012	1,908	401	11	2,320	1,908	484	(484)	1,908	2.2%	42	278	320	-	2,228	(92)	(92)	-	(92)	132	-	348	1,280
2013	2,062	354	18	2,434	2,062	461	(461)	2,062	8.1%	42	170	212	-	2,273	(160)	(252)	-	(252)	104	-	452	998
2014	2,228	290	24	2,541	2,228	415	(415)	2,228	8.1%	-	164	164	-	2,392	(149)	(401)	-	(401)	103	-	554	764
2015	2,408	228	29	2,664	2,408	351	(351)	2,408	8.1%	-	159	159	-	2,567	(98)	(499)	-	(499)	61	-	615	580
2016	2,602	170	32	2,804	2,602	286	(286)	2,602	8.1%	-	155	155	-	2,757	(48)	(546)	-	(546)	20	-	635	443
2017	2,812	125	33	2,970	2,812	224	(224)	2,812	8.1%	-	151	151	-	2,963	(7)	(554)	-	(554)	-	13	622	343
2018	3,039	93	33	3,165	3,039	173	(173)	3,039	8.1%	-	147	147	-	3,186	21	(533)	-	(533)	-	36	587	268
2019	3,285	69	31	3,384	3,285	137	(137)	3,285	8.1%	-	143	143	-	3,428	44	(489)	-	(489)	-	54	532	214
2020	3,550	52	28	3,630	3,550	107	(107)	3,550	8.1%	-	140	140	-	3,690	60	(429)	-	(429)	-	68	464	173
2021	3,837	40	24	3,902	3,837	84	(84)	3,837	8.1%	-	137	137	-	3,974	72	(357)	-	(357)	-	78	385	142
2022	4,147	32	20	4,200	4,147	67	(67)	4,147	8.1%	-	134	134	-	4,281	81	(276)	-	(276)	-	86	299	117
2023	4,483	26	16	4,525	4,483	53	(53)	4,483	8.1%	-	131	131	-	4,614	89	(186)	-	(186)	-	93	206	97
2024	4,845	21	11	4,877	4,845	41	(41)	4,845	8.1%	-	128	128	-	4,974	97	(89)	-	(89)	-	100	106	81
2025	5,237	17	6	5,260	5,237	29	(29)	5,237	8.1%	-	112	112	-	5,349	89	(0)	14	14	-	106	0	69
	53,874	4,034	371	58,279	53,874	4,807	(4,017)	54,665		336	3,217	3,553	3	58,220	-				694	694		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,097	2,462	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,643		2025 Ending Surplus / (Deficit)		7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	45	-	45	1,352
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,337
2008	1,030	235	-	1,264	1,030	256	(144)	1,142	7.1%	42	81	123	-	1,264	-	(0)	441	441	-	-	-	1,289
2009	1,365	242	-	1,607	1,365	258	(383)	1,241	8.6%	42	324	366	-	1,607	-	(0)	307	307	-	-	-	1,113
2010	1,473	247	-	1,720	1,473	266	(391)	1,348	8.6%	42	330	372	-	1,720	-	(0)	159	159	26	-	26	924
2011	1,589	241	1	1,831	1,589	274	(398)	1,464	8.6%	42	324	366	-	1,831	-	(0)	8	8	113	-	139	734
2012	1,714	214	7	1,936	1,714	273	(396)	1,591	8.6%	42	177	219	-	1,810	(126)	(126)	-	(126)	100	-	238	561
2013	1,849	171	13	2,033	1,849	250	(371)	1,729	8.6%	42	164	206	-	1,934	(98)	(224)	-	(224)	70	-	309	422
2014	1,996	124	16	2,136	1,996	205	(323)	1,878	8.6%	-	160	160	-	2,038	(98)	(322)	-	(322)	78	-	387	322
2015	2,153	91	20	2,265	2,153	158	(271)	2,040	8.6%	-	156	156	-	2,196	(69)	(391)	-	(391)	54	-	441	249
2016	2,323	67	23	2,414	2,323	126	(233)	2,217	8.6%	-	152	152	-	2,369	(45)	(436)	-	(436)	35	-	476	196
2017	2,507	52	25	2,584	2,507	102	(201)	2,408	8.6%	-	149	149	-	2,557	(27)	(464)	-	(464)	19	-	495	154
2018	2,706	38	26	2,770	2,706	86	(175)	2,616	8.6%	-	145	145	-	2,762	(8)	(472)	-	(472)	2	-	497	125
2019	2,920	29	26	2,975	2,920	71	(148)	2,843	8.6%	-	142	142	-	2,985	10	(462)	-	(462)	-	14	482	102
2020	3,151	24	25	3,200	3,151	60	(122)	3,088	8.6%	-	139	139	-	3,228	28	(434)	-	(434)	-	31	451	84
2021	3,400	18	24	3,442	3,400	52	(97)	3,355	8.6%	-	136	136	-	3,492	49	(385)	-	(385)	-	52	399	70
2022	3,670	15	21	3,706	3,670	43	(68)	3,645	8.6%	-	134	134	-	3,779	73	(312)	-	(312)	-	75	323	59
2023	3,960	12	17	3,990	3,960	35	(35)	3,960	8.6%	-	131	131	-	4,091	101	(210)	-	(210)	-	103	220	49
2024	4,274	10	12	4,296	4,274	26	(26)	4,274	7.9%	-	128	128	-	4,402	106	(104)	-	(104)	-	108	112	41
2025	4,613	8	6	4,627	4,613	18	(18)	4,613	7.9%	-	118	118	-	4,731	104	0	7	7	-	112	0	35
	48,541	2,295	264	51,101	48,541	2,792	(3,799)	47,535		336	3,168	3,504	3	51,042	-				541	541		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,207	2,475	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,633		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	88	-	88	1,568
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	76	11	1,551
2008	1,030	269	1	1,299	1,030	294	(165)	1,158	8.5%	42	98	140	-	1,299	-	(0)	389	389	-	11	-	1,497
2009	1,402	278	-	1,680	1,402	296	(433)	1,264	9.1%	42	374	416	-	1,680	-	(0)	204	204	55	-	55	1,295
2010	1,513	287	3	1,803	1,513	309	(442)	1,380	9.1%	42	381	423	-	1,803	-	(0)	2	2	158	-	213	1,075
2011	1,633	281	11	1,925	1,633	328	(455)	1,506	9.1%	42	177	219	-	1,725	(200)	(200)	-	(200)	158	-	371	853
2012	1,763	249	19	2,031	1,763	331	(449)	1,644	9.1%	42	170	212	-	1,855	(176)	(376)	-	(376)	136	-	507	652
2013	1,903	199	27	2,128	1,903	304	(412)	1,794	9.1%	42	165	207	-	2,001	(127)	(503)	-	(503)	95	-	602	491
2014	2,054	144	32	2,229	2,054	253	(349)	1,958	9.1%	-	160	160	-	2,118	(111)	(614)	-	(614)	88	-	689	375
2015	2,217	106	36	2,359	2,217	198	(278)	2,137	9.1%	-	156	156	-	2,293	(66)	(680)	-	(680)	49	-	738	290
2016	2,393	78	39	2,510	2,393	160	(220)	2,332	9.1%	-	152	152	-	2,485	(26)	(706)	-	(706)	13	-	751	227
2017	2,583	60	39	2,683	2,583	130	(168)	2,546	9.1%	-	149	149	-	2,694	11	(695)	-	(695)	-	21	730	180
2018	2,789	45	38	2,872	2,789	108	(119)	2,778	9.1%	-	146	146	-	2,924	52	(643)	-	(643)	-	59	672	145
2019	3,011	34	35	3,080	3,011	88	(88)	3,011	8.4%	-	142	142	-	3,153	73	(570)	-	(570)	-	78	593	118
2020	3,251	27	31	3,309	3,251	72	(72)	3,251	8.0%	-	139	139	-	3,390	81	(489)	-	(489)	-	85	508	97
2021	3,510	21	27	3,558	3,510	59	(59)	3,510	8.0%	-	136	136	-	3,646	88	(400)	-	(400)	-	92	416	81
2022	3,789	17	22	3,828	3,789	48	(48)	3,789	8.0%	-	134	134	-	3,923	94	(306)	-	(306)	-	97	319	68
2023	4,091	15	17	4,122	4,091	38	(38)	4,091	8.0%	-	131	131	-	4,222	99	(206)	-	(206)	-	102	218	57
2024	4,417	12	11	4,441	4,417	29	(29)	4,417	8.0%	-	128	128	-	4,545	105	(102)	-	(102)	-	106	111	48
2025	4,769	10	6	4,785	4,769	20	(20)	4,769	8.0%	-	117	117	-	4,887	102	(0)	8	8	-	111	0	41
	49,964	2,622	399	52,986	49,964	3,297	(3,843)	49,418		336	3,170	3,506	3	52,926	-				839	839		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,303	2,486	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,613		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	130	-	130	1,781
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	55	75	1,776
2008	1,030	303	4	1,336	1,030	319	(179)	1,170	9.5%	42	125	167	-	1,336	-	(0)	345	345	-	75	-	1,716
2009	1,439	315	-	1,754	1,439	333	(483)	1,289	10.2%	42	422	464	-	1,754	-	(0)	110	110	188	-	188	1,488
2010	1,553	329	10	1,893	1,553	357	(490)	1,421	10.2%	42	291	333	-	1,754	(138)	(138)	-	(138)	198	-	386	1,236
2011	1,677	324	20	2,021	1,677	385	(495)	1,567	10.2%	42	176	218	-	1,785	(237)	(375)	-	(375)	186	-	571	980
2012	1,811	286	30	2,127	1,811	389	(473)	1,727	10.2%	42	171	213	-	1,940	(188)	(563)	-	(563)	142	-	713	749
2013	1,956	228	37	2,221	1,956	356	(408)	1,904	10.2%	42	165	207	-	2,111	(110)	(673)	-	(673)	73	-	786	564
2014	2,112	165	41	2,318	2,112	296	(310)	2,099	10.2%	-	161	161	-	2,259	(59)	(732)	-	(732)	32	-	818	431
2015	2,280	123	43	2,446	2,280	229	(229)	2,280	8.7%	-	157	157	-	2,437	(9)	(741)	-	(741)	-	11	807	332
2016	2,463	90	42	2,595	2,463	181	(181)	2,463	8.0%	-	153	153	-	2,615	20	(721)	-	(721)	-	35	773	261
2017	2,660	69	41	2,769	2,660	144	(144)	2,660	8.0%	-	149	149	-	2,809	40	(681)	-	(681)	-	51	722	206
2018	2,872	52	38	2,962	2,872	118	(118)	2,872	8.0%	-	146	146	-	3,018	56	(625)	-	(625)	-	64	658	166
2019	3,102	39	35	3,176	3,102	95	(95)	3,102	8.0%	-	143	143	-	3,245	69	(556)	-	(556)	-	75	583	136
2020	3,350	31	31	3,412	3,350	77	(77)	3,350	8.0%	-	140	140	-	3,490	78	(478)	-	(478)	-	83	500	112
2021	3,619	24	26	3,669	3,619	63	(63)	3,619	8.0%	-	137	137	-	3,755	86	(392)	-	(392)	-	90	411	93
2022	3,908	20	22	3,950	3,908	51	(51)	3,908	8.0%	-	134	134	-	4,042	92	(300)	-	(300)	-	95	315	78
2023	4,222	17	17	4,255	4,222	40	(40)	4,222	8.0%	-	131	131	-	4,352	98	(202)	-	(202)	-	100	215	65
2024	4,560	14	11	4,585	4,560	31	(31)	4,560	8.0%	-	128	128	-	4,688	103	(99)	-	(99)	-	105	110	55
2025	4,925	11	6	4,942	4,925	22	(22)	4,925	8.0%	-	116	116	-	5,042	99	0	9	9	-	110	0	46
	51,387	2,949	460	54,797	51,387	3,721	(3,887)	51,222		336	3,177	3,513	3	54,737	-				949	949		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 13.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,387	2,499	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,585		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	172	-	172	1,990
2007	958	286	9	1,253	958	112	-	1,070	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	50	123	2,015
2008	1,030	337	6	1,373	1,030	322	(181)	1,171	9.5%	42	160	202	-	1,373	-	(0)	312	312	-	45	78	1,950
2009	1,476	353	4	1,832	1,476	375	(519)	1,332	13.8%	42	458	500	-	1,832	-	(0)	43	43	219	-	296	1,695
2010	1,594	373	16	1,983	1,594	405	(483)	1,516	13.8%	42	226	268	-	1,784	(199)	(199)	-	(199)	185	-	481	1,411
2011	1,721	370	25	2,117	1,721	439	(439)	1,721	13.6%	42	177	219	-	1,941	(176)	(375)	-	(375)	118	-	599	1,118
2012	1,859	327	31	2,218	1,859	442	(442)	1,859	8.0%	42	172	214	-	2,073	(144)	(520)	-	(520)	92	-	691	854
2013	2,009	260	36	2,305	2,009	399	(399)	2,009	8.0%	42	166	208	-	2,217	(88)	(608)	-	(608)	46	-	737	643
2014	2,170	188	39	2,396	2,170	329	(329)	2,170	8.0%	-	161	161	-	2,331	(65)	(673)	-	(673)	35	-	772	491
2015	2,344	140	41	2,525	2,344	251	(251)	2,344	8.0%	-	157	157	-	2,501	(24)	(697)	-	(697)	1	-	773	379
2016	2,532	103	41	2,676	2,532	199	(199)	2,532	8.0%	-	153	153	-	2,685	10	(687)	-	(687)	-	26	747	297
2017	2,736	78	39	2,853	2,736	156	(156)	2,736	8.0%	-	149	149	-	2,885	32	(655)	-	(655)	-	44	702	235
2018	2,956	59	37	3,052	2,956	127	(127)	2,956	8.0%	-	146	146	-	3,102	50	(605)	-	(605)	-	59	643	188
2019	3,193	44	34	3,272	3,193	102	(102)	3,193	8.0%	-	143	143	-	3,336	65	(541)	-	(541)	-	71	571	154
2020	3,450	35	30	3,515	3,450	82	(82)	3,450	8.0%	-	140	140	-	3,590	74	(466)	-	(466)	-	80	492	127
2021	3,728	28	26	3,781	3,728	67	(67)	3,728	8.0%	-	137	137	-	3,865	83	(383)	-	(383)	-	87	404	106
2022	4,028	23	21	4,072	4,028	54	(54)	4,028	8.0%	-	134	134	-	4,162	90	(293)	-	(293)	-	93	311	89
2023	4,352	19	16	4,388	4,352	43	(43)	4,352	8.1%	-	131	131	-	4,483	95	(198)	-	(198)	-	98	213	74
2024	4,703	16	11	4,730	4,703	33	(33)	4,703	8.1%	-	128	128	-	4,831	101	(97)	-	(97)	-	104	109	62
2025	5,081	13	6	5,100	5,081	24	(24)	5,081	8.1%	-	115	115	-	5,196	97	(0)	10	10	-	109	0	52
	52,810	3,276	468	56,554	52,810	4,085	(3,929)	52,967		336	3,189	3,525	3	56,495	-				867	867		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, NF*
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,408	2,514	121	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,557		2025 Ending Surplus / (Deficit)		(134)	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	214	-	214	2,199
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,249	(6)	(0)	281	281	-	44	170	2,254
2008	1,030	372	9	1,410	1,030	325	(182)	1,172	9.5%	42	196	238	-	1,410	-	(0)	279	279	-	12	158	2,183
2009	1,512	390	8	1,911	1,512	418	(418)	1,512	29.1%	42	356	398	-	1,911	-	(0)	113	113	110	-	267	1,902
2010	1,634	417	14	2,065	1,634	444	(444)	1,634	8.0%	42	298	340	-	1,974	(91)	(91)	-	(91)	141	-	408	1,585
2011	1,766	416	21	2,204	1,766	482	(482)	1,766	8.0%	42	179	221	-	1,986	(217)	(308)	-	(308)	151	-	559	1,256
2012	1,908	367	29	2,304	1,908	490	(490)	1,908	8.1%	42	173	215	-	2,123	(182)	(490)	-	(490)	122	-	682	960
2013	2,062	293	36	2,390	2,062	443	(443)	2,062	8.1%	42	167	209	-	2,271	(119)	(609)	-	(609)	72	-	754	722
2014	2,228	211	40	2,479	2,228	365	(365)	2,228	8.1%	-	162	162	-	2,390	(89)	(698)	-	(698)	55	-	808	552
2015	2,408	158	42	2,608	2,408	279	(279)	2,408	8.1%	-	158	158	-	2,565	(42)	(740)	-	(740)	17	-	825	425
2016	2,602	116	43	2,761	2,602	221	(221)	2,602	8.1%	-	153	153	-	2,755	(6)	(746)	-	(746)	-	13	812	333
2017	2,812	88	43	2,943	2,812	174	(174)	2,812	8.1%	-	150	150	-	2,962	19	(727)	-	(727)	-	33	779	263
2018	3,039	66	41	3,146	3,039	142	(142)	3,039	8.1%	-	146	146	-	3,185	39	(688)	-	(688)	-	49	730	211
2019	3,285	50	38	3,373	3,285	115	(115)	3,285	8.1%	-	143	143	-	3,428	55	(633)	-	(633)	-	62	668	172
2020	3,550	39	35	3,625	3,550	94	(94)	3,550	8.1%	-	140	140	-	3,690	65	(568)	-	(568)	-	71	596	142
2021	3,837	31	31	3,899	3,837	78	(78)	3,837	8.1%	-	137	137	-	3,974	75	(493)	-	(493)	-	79	517	119
2022	4,147	25	27	4,200	4,147	64	(64)	4,147	8.1%	-	134	134	-	4,281	81	(412)	-	(412)	-	85	432	99
2023	4,483	22	23	4,527	4,483	53	(53)	4,483	8.1%	-	131	131	-	4,614	87	(325)	-	(325)	-	90	342	83
2024	4,845	18	18	4,881	4,845	43	(43)	4,845	8.1%	-	128	128	-	4,974	92	(233)	-	(233)	-	95	247	69
2025	5,237	14	13	5,265	5,237	34	(34)	5,237	8.1%	-	126	126	-	5,363	98	(134)	-	(134)	-	100	146	59
	54,233	3,602	523	58,359	54,233	4,502	(4,122)	54,613		336	3,213	3,549	3	58,165	(134)				882	736		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits. Premium stabilization does not appear financially feasible under the assumed scenario.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,075	2,454	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,617		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	43	-	43	1,344
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	43	-	1,362
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	(0)	398	398	-	-	-	1,341
2009	1,170	242	-	1,412	1,170	258	(174)	1,255	8.5%	42	116	158	-	1,412	-	(0)	471	471	-	-	-	1,305
2010	1,376	251	-	1,626	1,376	266	(281)	1,361	8.5%	42	223	265	-	1,626	-	(0)	436	436	-	-	-	1,188
2011	1,482	254	-	1,737	1,482	276	(282)	1,476	8.5%	42	218	260	-	1,737	-	(0)	401	401	-	-	-	1,050
2012	1,714	247	-	1,961	1,714	280	(393)	1,601	8.5%	42	318	360	-	1,961	-	(0)	261	261	-	-	-	859
2013	1,849	227	-	2,076	1,849	272	(385)	1,737	8.5%	42	297	339	-	2,076	-	(0)	134	134	2	-	2	679
2014	1,996	195	0	2,190	1,996	250	(361)	1,884	8.5%	-	296	296	-	2,180	(10)	(10)	-	(10)	113	-	115	523
2015	2,153	156	6	2,315	2,153	221	(330)	2,044	8.5%	-	157	157	-	2,201	(114)	(124)	-	(124)	89	-	204	397
2016	2,323	119	11	2,454	2,323	183	(289)	2,217	8.5%	-	153	153	-	2,370	(83)	(207)	-	(207)	64	-	267	300
2017	2,507	87	14	2,608	2,507	147	(249)	2,405	8.5%	-	149	149	-	2,555	(53)	(261)	-	(261)	39	-	307	230
2018	2,706	64	16	2,786	2,706	113	(210)	2,609	8.5%	-	146	146	-	2,755	(31)	(292)	-	(292)	21	-	328	179
2019	2,920	47	17	2,984	2,920	89	(179)	2,830	8.5%	-	143	143	-	2,973	(11)	(303)	-	(303)	4	-	331	142
2020	3,151	36	17	3,204	3,151	71	(152)	3,070	8.5%	-	140	140	-	3,209	5	(298)	-	(298)	-	11	321	114
2021	3,400	28	17	3,445	3,400	58	(128)	3,330	8.5%	-	137	137	-	3,466	22	(276)	-	(276)	-	26	294	92
2022	3,670	21	15	3,706	3,670	47	(105)	3,612	8.5%	-	134	134	-	3,746	39	(237)	-	(237)	-	43	252	76
2023	3,960	17	13	3,991	3,960	38	(80)	3,918	8.5%	-	131	131	-	4,049	59	(178)	-	(178)	-	61	191	63
2024	4,274	13	10	4,298	4,274	30	(54)	4,250	8.5%	-	128	128	-	4,378	81	(97)	-	(97)	-	83	108	53
2025	4,613	11	6	4,630	4,613	21	(24)	4,610	8.5%	-	117	117	-	4,727	97	(0)	9	9	-	108	0	44
	48,201	2,705	145	51,051	48,201	3,109	(3,862)	47,448		336	3,205	3,541	3	50,992	-				374	374		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,186	2,469	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,611		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	86	-	86	1,559
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	69	17	1,579
2008	1,096	269	1	1,365	1,096	294	(226)	1,164	9.0%	42	160	202	-	1,365	-	(0)	328	328	-	17	-	1,557
2009	1,179	278	-	1,457	1,179	296	(206)	1,269	9.0%	42	147	189	-	1,457	-	(0)	367	367	-	-	-	1,514
2010	1,402	291	-	1,694	1,402	306	(326)	1,383	9.0%	42	268	310	-	1,694	-	(0)	283	283	-	-	-	1,378
2011	1,511	297	-	1,808	1,511	320	(324)	1,508	9.0%	42	258	300	-	1,808	-	(0)	202	202	41	-	41	1,215
2012	1,763	287	2	2,052	1,763	329	(447)	1,644	9.0%	42	366	408	-	2,052	-	(0)	9	9	149	-	190	993
2013	1,903	263	10	2,175	1,903	327	(437)	1,792	9.0%	42	176	218	-	2,011	(165)	(165)	-	(165)	132	-	322	785
2014	2,054	225	17	2,295	2,054	308	(407)	1,954	9.0%	-	163	163	-	2,117	(179)	(344)	-	(344)	143	-	464	604
2015	2,217	180	24	2,421	2,217	274	(360)	2,131	9.0%	-	158	158	-	2,288	(133)	(476)	-	(476)	104	-	568	458
2016	2,393	138	30	2,561	2,393	231	(301)	2,323	9.0%	-	154	154	-	2,477	(84)	(561)	-	(561)	62	-	630	346
2017	2,583	100	33	2,716	2,583	188	(239)	2,532	9.0%	-	150	150	-	2,682	(34)	(595)	-	(595)	18	-	648	266
2018	2,789	74	34	2,897	2,789	147	(175)	2,761	9.0%	-	146	146	-	2,907	10	(585)	-	(585)	-	22	626	207
2019	3,011	54	33	3,098	3,011	118	(119)	3,010	9.0%	-	143	143	-	3,153	55	(530)	-	(530)	-	64	563	164
2020	3,251	41	30	3,322	3,251	92	(92)	3,251	8.0%	-	140	140	-	3,390	69	(461)	-	(461)	-	75	487	131
2021	3,510	32	26	3,567	3,510	74	(74)	3,510	8.0%	-	137	137	-	3,646	79	(382)	-	(382)	-	84	403	107
2022	3,789	25	21	3,835	3,789	58	(58)	3,789	8.0%	-	134	134	-	3,923	88	(294)	-	(294)	-	92	311	88
2023	4,091	20	16	4,127	4,091	45	(45)	4,091	8.0%	-	131	131	-	4,222	95	(199)	-	(199)	-	98	213	73
2024	4,417	16	11	4,444	4,417	34	(34)	4,417	8.0%	-	128	128	-	4,545	102	(97)	-	(97)	-	104	109	61
2025	4,769	13	6	4,787	4,769	23	(23)	4,769	8.0%	-	115	115	-	4,884	97	(0)	10	10	-	109	0	51
	49,576	3,091	298	52,965	49,576	3,698	(3,894)	49,380		336	3,187	3,523	3	52,905	-				734	734		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 10.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,281	2,490	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,600		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	128	-	128	1,771
2007	958	286	7	1,251	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	47	82	1,808
2008	1,104	303	4	1,411	1,104	320	(249)	1,175	10.0%	42	194	236	-	1,411	-	(0)	277	277	-	2	80	1,783
2009	1,188	315	4	1,508	1,188	338	(233)	1,292	10.0%	42	173	215	-	1,508	-	(0)	291	291	-	24	56	1,734
2010	1,429	334	3	1,765	1,429	350	(357)	1,422	10.0%	42	302	344	-	1,765	-	(0)	172	172	87	-	143	1,576
2011	1,541	342	8	1,890	1,541	375	(352)	1,564	10.0%	42	284	326	-	1,890	-	(0)	67	67	68	-	211	1,387
2012	1,811	329	11	2,151	1,811	388	(479)	1,720	10.0%	42	240	282	-	2,002	(149)	(149)	-	(149)	164	-	375	1,133
2013	1,956	301	20	2,276	1,956	383	(447)	1,891	10.0%	42	169	211	-	2,102	(174)	(323)	-	(323)	126	-	502	894
2014	2,112	256	26	2,394	2,112	360	(391)	2,080	10.0%	-	163	163	-	2,244	(150)	(473)	-	(473)	109	-	611	688
2015	2,280	206	32	2,518	2,280	317	(317)	2,280	9.6%	-	159	159	-	2,439	(79)	(552)	-	(552)	46	-	657	522
2016	2,463	157	34	2,654	2,463	264	(264)	2,463	8.0%	-	154	154	-	2,617	(37)	(589)	-	(589)	12	-	668	395
2017	2,660	114	35	2,808	2,660	211	(211)	2,660	8.0%	-	150	150	-	2,810	1	(588)	-	(588)	-	20	649	303
2018	2,872	85	34	2,991	2,872	163	(163)	2,872	8.0%	-	147	147	-	3,019	28	(560)	-	(560)	-	41	607	235
2019	3,102	62	32	3,196	3,102	128	(128)	3,102	8.0%	-	143	143	-	3,245	50	(511)	-	(511)	-	59	548	187
2020	3,350	47	29	3,426	3,350	100	(100)	3,350	8.0%	-	140	140	-	3,490	64	(447)	-	(447)	-	72	477	150
2021	3,619	36	25	3,680	3,619	79	(79)	3,619	8.0%	-	137	137	-	3,756	76	(371)	-	(371)	-	81	395	122
2022	3,908	28	21	3,957	3,908	63	(63)	3,908	8.0%	-	134	134	-	4,042	85	(286)	-	(286)	-	89	306	100
2023	4,222	22	16	4,260	4,222	49	(49)	4,222	8.0%	-	131	131	-	4,353	93	(193)	-	(193)	-	96	210	83
2024	4,560	18	11	4,589	4,560	37	(37)	4,560	8.0%	-	128	128	-	4,688	99	(94)	-	(94)	-	102	108	69
2025	4,925	14	6	4,945	4,925	26	(26)	4,925	8.0%	-	114	114	-	5,039	94	0	12	12	-	108	0	58
	50,950	3,476	358	54,784	50,950	4,185	(3,945)	51,190		336	3,197	3,533	3	54,725	-				741	741		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 11.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,363	2,503	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,571		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	170	-	170	1,979
2007	958	286	9	1,253	958	112	-	1,069	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	40	130	2,050
2008	1,112	337	7	1,456	1,112	322	(238)	1,196	11.9%	42	218	260	-	1,456	-	(0)	255	255	20	-	150	2,024
2009	1,197	353	8	1,558	1,197	379	(238)	1,338	11.9%	42	177	219	-	1,558	-	(0)	267	267	-	23	127	1,969
2010	1,456	378	7	1,840	1,456	395	(354)	1,497	11.9%	42	301	343	-	1,840	-	(0)	151	151	80	-	207	1,788
2011	1,570	390	11	1,970	1,570	428	(322)	1,675	11.9%	42	253	295	-	1,970	-	(0)	78	78	29	-	236	1,570
2012	1,859	374	12	2,245	1,859	442	(442)	1,859	11.0%	42	253	295	-	2,155	(91)	(91)	-	(91)	111	-	347	1,280
2013	2,009	341	18	2,368	2,009	431	(431)	2,009	8.0%	42	170	212	-	2,220	(147)	(238)	-	(238)	93	-	440	1,010
2014	2,170	289	23	2,482	2,170	400	(400)	2,170	8.0%	-	164	164	-	2,334	(148)	(386)	-	(386)	102	-	541	777
2015	2,344	232	28	2,605	2,344	350	(350)	2,344	8.0%	-	159	159	-	2,503	(101)	(487)	-	(487)	64	-	605	589
2016	2,532	177	32	2,741	2,532	290	(290)	2,532	8.0%	-	155	155	-	2,687	(54)	(541)	-	(541)	25	-	631	446
2017	2,736	128	33	2,897	2,736	231	(231)	2,736	8.0%	-	151	151	-	2,886	(11)	(552)	-	(552)	-	10	621	343
2018	2,956	96	33	3,084	2,956	177	(177)	2,956	8.0%	-	147	147	-	3,103	18	(534)	-	(534)	-	34	587	266
2019	3,193	70	31	3,294	3,193	139	(139)	3,193	8.0%	-	143	143	-	3,337	43	(491)	-	(491)	-	54	533	211
2020	3,450	53	28	3,531	3,450	108	(108)	3,450	8.0%	-	140	140	-	3,590	59	(432)	-	(432)	-	68	466	169
2021	3,728	41	24	3,793	3,728	85	(85)	3,728	8.0%	-	137	137	-	3,865	72	(360)	-	(360)	-	78	387	138
2022	4,028	32	20	4,080	4,028	67	(67)	4,028	8.0%	-	134	134	-	4,162	82	(278)	-	(278)	-	87	300	113
2023	4,352	26	16	4,393	4,352	52	(52)	4,352	8.1%	-	131	131	-	4,483	90	(188)	-	(188)	-	94	207	94
2024	4,703	20	11	4,734	4,703	40	(40)	4,703	8.1%	-	128	128	-	4,831	97	(91)	-	(91)	-	100	106	78
2025	5,081	16	6	5,103	5,081	28	(28)	5,081	8.1%	-	113	113	-	5,194	91	0	13	13	-	106	0	66
	52,325	3,861	356	56,542	52,325	4,603	(3,994)	52,933		336	3,211	3,547	3	56,483	-				693	693		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	Max O-of-P, 19.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,439	2,501	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,521		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	212	-	212	2,187
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,249	(6)	(0)	281	281	-	34	178	2,293
2008	1,121	371	9	1,501	1,121	325	(182)	1,263	18.0%	42	196	238	-	1,501	-	(0)	279	279	-	4	174	2,264
2009	1,206	390	9	1,605	1,206	419	(235)	1,390	10.0%	42	174	216	-	1,605	-	(0)	297	297	-	29	144	2,204
2010	1,482	422	8	1,912	1,482	438	(258)	1,662	19.6%	42	208	250	-	1,912	-	(0)	276	276	-	20	124	2,000
2011	1,599	438	7	2,043	1,599	472	(265)	1,805	8.6%	42	196	238	-	2,043	-	(0)	262	262	-	36	89	1,753
2012	1,908	419	5	2,331	1,908	487	(487)	1,908	5.7%	42	381	423	-	2,331	-	(0)	57	57	140	-	228	1,428
2013	2,062	381	12	2,455	2,062	474	(474)	2,062	8.1%	42	228	270	-	2,332	(123)	(123)	-	(123)	120	-	348	1,126
2014	2,228	323	18	2,569	2,228	439	(439)	2,228	8.1%	-	165	165	-	2,393	(176)	(298)	-	(298)	124	-	472	866
2015	2,408	259	25	2,691	2,408	382	(382)	2,408	8.1%	-	160	160	-	2,568	(124)	(422)	-	(422)	82	-	554	657
2016	2,602	197	29	2,828	2,602	317	(317)	2,602	8.1%	-	155	155	-	2,757	(71)	(493)	-	(493)	39	-	593	497
2017	2,812	143	31	2,986	2,812	251	(251)	2,812	8.1%	-	151	151	-	2,963	(23)	(516)	-	(516)	-	0	592	382
2018	3,039	107	31	3,177	3,039	191	(191)	3,039	8.1%	-	147	147	-	3,186	9	(507)	-	(507)	-	26	566	296
2019	3,285	78	30	3,392	3,285	150	(150)	3,285	8.1%	-	144	144	-	3,428	36	(471)	-	(471)	-	48	518	235
2020	3,550	59	27	3,636	3,550	116	(116)	3,550	8.1%	-	140	140	-	3,690	54	(417)	-	(417)	-	64	454	189
2021	3,837	45	24	3,906	3,837	91	(91)	3,837	8.1%	-	137	137	-	3,974	68	(349)	-	(349)	-	75	379	154
2022	4,147	35	20	4,203	4,147	72	(72)	4,147	8.1%	-	134	134	-	4,281	79	(270)	-	(270)	-	84	295	126
2023	4,483	29	15	4,527	4,483	56	(56)	4,483	8.1%	-	131	131	-	4,614	87	(182)	-	(182)	-	92	203	104
2024	4,845	23	11	4,879	4,845	43	(43)	4,845	8.1%	-	129	129	-	4,974	95	(87)	-	(87)	-	99	105	87
2025	5,237	18	6	5,261	5,237	31	(31)	5,237	8.1%	-	111	111	-	5,349	87	0	15	15	-	105	-	73
	53,699	4,246	327	58,272	53,699	4,990	(4,040)	54,649		336	3,225	3,561	3	58,212	-				716	716		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	10-Year Cycle
Interest Rate Paid on Debt:	5.25%, Coupon=Yield, Proceeds=Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%

Minimum PSF Percentage Achieving Desired Constraints

PSF Applied Incrementally, PSF NOT at least Assessment

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	9.6%	10.3%	11.1%	11.8%	12.6%
Delayed Act 13, Abatement through 12/31/2007	10.9%	11.2%	11.4%	11.8%	12.3%
$50K Increases, Abatement through 12/31/2007	10.4%	10.6%	10.9%	11.1%	11.6%
$100K Increases, Abatement through 12/31/2007	9.8%	10.3%	11.0%	11.8%	12.5%
HAP 1-Step, Abatement through 12/31/2007	9.6%	10.4%	11.1%	11.9%	12.7%
HAP 3-Step, Abatement through 12/31/2007	10.3%	10.7%	11.1%	11.7%	12.4%

PSF Applied Incrementally, PSF at least 56% of Assessment

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	13.5%	14.5%	15.4%	16.2%	17.0%
Delayed Act 13, Abatement through 12/31/2007	16.7%	18.0%	19.2%	20.2%	21.6%
$50K Increases, Abatement through 12/31/2007	16.1%	17.3%	18.4%	19.4%	20.5%
$100K Increases, Abatement through 12/31/2007	13.7%	14.7%	15.6%	16.4%	17.1%
HAP 1-Step, Abatement through 12/31/2007	13.6%	14.5%	15.4%	16.4%	17.3%
HAP 3-Step, Abatement through 12/31/2007	14.6%	15.5%	16.4%	17.2%	17.9%

PSF Applied Incrementally, PSF at least 56% of Assessment/100% when $1M primary limits

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	16.8%	18.2%	19.6%	21.4%	24.1%
Delayed Act 13, Abatement through 12/31/2007	18.1%	19.6%	21.8%	24.9%	NF*
$50K Increases, Abatement through 12/31/2007	17.8%	19.2%	20.6%	23.0%	25.6%
$100K Increases, Abatement through 12/31/2007	16.9%	18.3%	19.6%	21.5%	24.1%
HAP 1-Step, Abatement through 12/31/2007	17.4%	18.9%	20.4%	23.4%	NF*
HAP 3-Step, Abatement through 12/31/2007	17.4%	18.8%	20.2%	22.9%	25.6%

NF* indicates that the scenario does not appear to be financially feasible under certain conditions.

Common Key Assumptions	
Rate Environment Assumptions:	10-Year Cycle
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.00%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	70%

PSF Applied Incrementally at 70% PwC Mcare Projections, PSF NOT at least Assessment

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
7	Act 13, Abatement through 12/31/2007, 9.6% PSF	28,797	2,444	59	(1,381)	407	-	-	-	-	30,327	8	39
12	Delayed Act 13, Abatement through 12/31/2007, 10.9% PSF	28,847	2,443	59	(1,378)	412	5	(5)	-	-	30,383	11	54
17	$50K Increases, Abatement through 12/31/2007, 10.4% PSF	28,826	2,441	59	(1,365)	410	3	(4)	-	-	30,371	16	79
22	$100K Increases, Abatement through 12/31/2007, 9.8% PSF	28,806	2,444	59	(1,382)	409	2	(2)	-	-	30,336	8	41
27	HAP 1-Step, Abatement through 12/31/2007, 9.6% PSF	28,781	2,445	59	(1,386)	410	3	(3)	-	-	30,309	7	35
32	HAP 3-Step, Abatement through 12/31/2007, 10.3% PSF	28,817	2,444	59	(1,381)	410	3	(3)	-	-	30,349	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 10.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 10.4% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 9.8% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.3% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 70% PwC Mcare Projections, PSF at least 56% of Assessment

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
37	Act 13, Abatement through 12/31/2007, 13.5% PSF	28,797	2,444	59	(1,381)	407	-	-	-	-	30,327	8	39
42	Delayed Act 13, Abatement through 12/31/2007, 16.7% PSF	28,847	2,444	59	(1,378)	412	5	(5)	-	-	30,385	11	54
47	$50k Increases, Abatement through 12/31/2007, 16.1% PSF	28,826	2,441	59	(1,365)	410	3	(4)	-	-	30,371	16	79
52	$100k Increases, Abatement through 12/31/2007, 13.7% PSF	28,806	2,444	59	(1,382)	409	2	(2)	-	-	30,336	8	41
57	HAP 1-Step, Abatement through 12/31/2007, 13.6% PSF	28,781	2,445	59	(1,386)	410	3	(3)	-	-	30,309	7	35
62	HAP 3-Step, Abatement through 12/31/2007, 14.6% PSF	28,817	2,444	59	(1,381)	410	3	(3)	-	-	30,349	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 13.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 16.7% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 16.1% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 13.7% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 13.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 14.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 70% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
67	Act 13, Abatement through 12/31/2007, 16.8% PSF	28,797	2,444	59	(1,381)	407	-	-	-	-	30,327	8	39
72	Delayed Act 13, Abatement through 12/31/2007, 18.1% PSF	28,847	2,443	59	(1,378)	412	5	(5)	-	-	30,383	11	54
77	$50k Increases, Abatement through 12/31/2007, 17.8% PSF	28,826	2,441	59	(1,365)	410	3	(4)	-	-	30,371	16	79
82	$100k Increases, Abatement through 12/31/2007, 16.9% PSF	28,806	2,444	59	(1,382)	409	2	(2)	-	-	30,336	8	41
87	HAP 1-Step, Abatement through 12/31/2007, 17.4% PSF	28,781	2,446	59	(1,386)	410	3	(3)	-	-	30,311	7	35
92	HAP 3-Step, Abatement through 12/31/2007, 17.4% PSF	28,817	2,444	59	(1,381)	410	3	(3)	-	-	30,349	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 16.8% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 18.1% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 17.8% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 16.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 17.4% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 17.4% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

Note
Page numbers noted above are for the corresponding page in Exhibit 3 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Common Key Assumptions	
Rate Environment Assumptions:	10-Year Cycle
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	80%

PSF Applied Incrementally at 80% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
8	Act 13, Abatement through 12/31/2007, 10.3% PSF	29,882	2,445	59	(1,570)	465	-	-	-	-	31,281	9	45
13	Delayed Act 13, Abatement through 12/31/2007, 11.2% PSF	29,939	2,445	59	(1,567)	470	5	(5)	-	-	31,346	13	63
18	$50K Increases, Abatement through 12/31/2007, 10.6% PSF	29,915	2,442	59	(1,552)	469	4	(4)	-	-	31,333	18	90
23	$100K Increases, Abatement through 12/31/2007, 10.3% PSF	29,892	2,446	59	(1,571)	468	3	(3)	-	-	31,293	10	48
28	HAP 1-Step, Abatement through 12/31/2007, 10.4% PSF	29,863	2,446	59	(1,576)	469	3	(4)	-	-	31,261	8	41
33	HAP 3-Step, Abatement through 12/31/2007, 10.7% PSF	29,905	2,445	59	(1,570)	468	3	(3)	-	-	31,307	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.3% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 11.2% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 10.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 10.3% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 10.4% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.7% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 80% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
38	Act 13, Abatement through 12/31/2007, 14.5% PSF	29,882	2,445	59	(1,570)	465	-	-	-	-	31,281	9	45
43	Delayed Act 13, Abatement through 12/31/2007, 18.0% PSF	29,942	2,452	59	(1,567)	470	5	(5)	-	-	31,357	13	63
48	$50k Increases, Abatement through 12/31/2007, 17.3% PSF	29,915	2,442	59	(1,552)	469	4	(4)	-	-	31,333	18	90
53	$100k Increases, Abatement through 12/31/2007, 14.7% PSF	29,892	2,446	59	(1,571)	468	3	(3)	-	-	31,293	10	48
58	HAP 1-Step, Abatement through 12/31/2007, 14.5% PSF	29,863	2,446	59	(1,576)	469	3	(4)	-	-	31,261	8	41
63	HAP 3-Step, Abatement through 12/31/2007, 15.5% PSF	29,905	2,445	59	(1,570)	468	3	(3)	-	-	31,307	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 14.5% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 18.0% PSF	95%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 17.3% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 14.7% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 14.5% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 15.5% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 80% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
68	Act 13, Abatement through 12/31/2007, 18.2% PSF	29,883	2,447	59	(1,570)	465	-	-	-	-	31,283	9	45
73	Delayed Act 13, Abatement through 12/31/2007, 19.6% PSF	29,940	2,448	59	(1,567)	470	5	(5)	-	-	31,351	13	63
78	$50k Increases, Abatement through 12/31/2007, 19.2% PSF	29,915	2,442	59	(1,552)	469	4	(4)	-	-	31,333	18	90
83	$100k Increases, Abatement through 12/31/2007, 18.3% PSF	29,892	2,446	59	(1,571)	468	3	(3)	-	-	31,294	10	48
88	HAP 1-Step, Abatement through 12/31/2007, 18.9% PSF	29,868	2,452	59	(1,576)	469	3	(4)	-	-	31,272	8	41
93	HAP 3-Step, Abatement through 12/31/2007, 18.8% PSF	29,906	2,448	59	(1,570)	468	3	(3)	-	-	31,311	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 18.2% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 19.6% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 19.2% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 18.3% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 18.9% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 18.8% PSF	96%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

Note
Page numbers noted above are for the corresponding page in Exhibit 3 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Common Key Assumptions	
Rate Environment Assumptions:	10-Year Cycle
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	90%

PSF Applied Incrementally at 90% PwC Mcare Projections, PSF NOT at least Assessment

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
9	Act 13, Abatement through 12/31/2007, 11.1% PSF	30,966	2,451	59	(1,757)	523	-	-	-	-	32,242	10	51
14	Delayed Act 13, Abatement through 12/31/2007, 11.4% PSF	31,029	2,448	59	(1,753)	529	6	(6)	-	-	32,312	14	71
19	$50K Increases, Abatement through 12/31/2007, 10.9% PSF	31,001	2,445	59	(1,737)	528	4	(4)	-	-	32,296	21	103
24	$100K Increases, Abatement through 12/31/2007, 11.0% PSF	30,976	2,449	59	(1,758)	526	3	(3)	-	-	32,252	11	55
29	HAP 1-Step, Abatement through 12/31/2007, 11.1% PSF	30,943	2,449	59	(1,763)	527	4	(4)	-	-	32,216	9	46
34	HAP 3-Step, Abatement through 12/31/2007, 11.1% PSF	30,990	2,449	59	(1,757)	527	3	(3)	-	-	32,268	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 11.1% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 11.4% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 10.9% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 11.0% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 11.1% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 11.1% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 90% PwC Mcare Projections, PSF at least 56% of Assessment

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
39	Act 13, Abatement through 12/31/2007, 15.4% PSF	30,965	2,450	59	(1,757)	523	-	-	-	-	32,240	10	51
44	Delayed Act 13, Abatement through 12/31/2007, 19.2% PSF	31,039	2,464	59	(1,753)	529	6	(6)	-	-	32,339	14	71
49	$50k Increases, Abatement through 12/31/2007, 18.4% PSF	31,004	2,453	59	(1,737)	528	4	(4)	-	-	32,307	21	103
54	$100k Increases, Abatement through 12/31/2007, 15.6% PSF	30,976	2,449	59	(1,758)	526	3	(3)	-	-	32,252	11	55
59	HAP 1-Step, Abatement through 12/31/2007, 15.4% PSF	30,944	2,451	59	(1,763)	527	4	(4)	-	-	32,218	9	46
64	HAP 3-Step, Abatement through 12/31/2007, 16.4% PSF	30,990	2,449	59	(1,757)	527	3	(3)	-	-	32,268	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 15.4% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 19.2% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 18.4% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 15.6% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 15.4% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 16.4% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 90% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
69	Act 13, Abatement through 12/31/2007, 19.6% PSF	30,970	2,457	59	(1,757)	523	-	-	-	-	32,253	10	51
74	Delayed Act 13, Abatement through 12/31/2007, 21.8% PSF	31,039	2,465	59	(1,753)	529	6	(6)	-	-	32,339	14	71
79	$50k Increases, Abatement through 12/31/2007, 20.6% PSF	31,002	2,446	59	(1,737)	528	4	(4)	-	-	32,298	21	103
84	$100k Increases, Abatement through 12/31/2007, 19.6% PSF	30,980	2,458	59	(1,758)	526	3	(3)	-	-	32,265	11	55
89	HAP 1-Step, Abatement through 12/31/2007, 20.4% PSF	30,965	2,474	59	(1,763)	527	4	(4)	-	-	32,262	9	46
94	HAP 3-Step, Abatement through 12/31/2007, 20.2% PSF	30,999	2,461	59	(1,757)	527	3	(3)	-	-	32,288	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 19.6% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 21.8% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 20.6% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 19.6% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 20.4% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 20.2% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

Note
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Common Key Assumptions	
Rate Environment Assumptions:	10-Year Cycle
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	100%

PSF Applied Incrementally at 100% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
10	Act 13, Abatement through 12/31/2007, 11.8% PSF	32,046	2,460	59	(1,940)	581	-	-	-	-	33,207	12	58
15	Delayed Act 13, Abatement through 12/31/2007, 11.8% PSF	32,115	2,452	59	(1,935)	588	7	(7)	-	-	33,278	16	80
20	$50K Increases, Abatement through 12/31/2007, 11.1% PSF	32,084	2,449	59	(1,917)	586	5	(5)	-	-	33,263	23	115
25	$100K Increases, Abatement through 12/31/2007, 11.8% PSF	32,056	2,454	59	(1,941)	585	3	(3)	-	-	33,213	12	62
30	HAP 1-Step, Abatement through 12/31/2007, 11.9% PSF	32,020	2,455	59	(1,946)	586	4	(4)	-	-	33,173	10	52
35	HAP 3-Step, Abatement through 12/31/2007, 11.7% PSF	32,072	2,454	59	(1,939)	585	4	(4)	-	-	33,232	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 11.8% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 11.8% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 11.1% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 11.8% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 11.9% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 11.7% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 100% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
40	Act 13, Abatement through 12/31/2007, 16.2% PSF	32,045	2,457	59	(1,940)	581	-	-	-	-	33,202	12	58
45	Delayed Act 13, Abatement through 12/31/2007, 20.2% PSF	32,137	2,483	59	(1,935)	588	7	(7)	-	-	33,332	16	80
50	$50k Increases, Abatement through 12/31/2007, 19.4% PSF	32,094	2,480	59	(1,917)	586	5	(5)	-	-	33,303	23	115
55	$100k Increases, Abatement through 12/31/2007, 16.4% PSF	32,056	2,455	59	(1,941)	585	3	(3)	-	-	33,214	12	62
60	HAP 1-Step, Abatement through 12/31/2007, 16.4% PSF	32,024	2,466	59	(1,946)	586	4	(4)	-	-	33,188	10	52
65	HAP 3-Step, Abatement through 12/31/2007, 17.2% PSF	32,073	2,457	59	(1,939)	585	4	(4)	-	-	33,236	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 16.2% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 20.2% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 19.4% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 16.4% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 16.4% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 17.2% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 100% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
70	Act 13, Abatement through 12/31/2007, 21.4% PSF	32,061	2,471	59	(1,940)	581	-	-	-	-	33,233	12	58
75	Delayed Act 13, Abatement through 12/31/2007, 24.9% PSF	32,143	2,484	59	(1,935)	588	7	(7)	-	-	33,339	16	80
80	$50k Increases, Abatement through 12/31/2007, 23.0% PSF	32,088	2,460	59	(1,917)	586	5	(5)	-	-	33,277	23	115
85	$100k Increases, Abatement through 12/31/2007, 21.5% PSF	32,070	2,470	59	(1,941)	585	3	(3)	-	-	33,244	12	62
90	HAP 1-Step, Abatement through 12/31/2007, 23.4% PSF	32,064	2,494	59	(1,946)	586	4	(4)	-	-	33,256	10	52
95	HAP 3-Step, Abatement through 12/31/2007, 22.9% PSF	32,093	2,475	59	(1,939)	585	4	(4)	-	-	33,273	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 21.4% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 24.9% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 23.0% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 21.5% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 23.4% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 22.9% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

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Common Key Assumptions	
Rate Environment Assumptions:	10-Year Cycle
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	110%

PSF Applied Incrementally at 110% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
11	Act 13, Abatement through 12/31/2007, 12.6% PSF	33,127	2,473	59	(2,122)	639	-	-	-	-	34,177	13	64
16	Delayed Act 13, Abatement through 12/31/2007, 12.3% PSF	33,201	2,457	59	(2,117)	647	7	(7)	-	-	34,246	18	89
21	$50K Increases, Abatement through 12/31/2007, 11.6% PSF	33,168	2,457	59	(2,097)	645	5	(5)	-	-	34,232	25	127
26	$100K Increases, Abatement through 12/31/2007, 12.5% PSF	33,137	2,464	59	(2,123)	643	4	(4)	-	-	34,180	14	69
31	HAP 1-Step, Abatement through 12/31/2007, 12.7% PSF	33,099	2,469	59	(2,129)	644	5	(5)	-	-	34,143	12	59
36	HAP 3-Step, Abatement through 12/31/2007, 12.4% PSF	33,155	2,462	59	(2,122)	644	4	(4)	-	-	34,198	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 12.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 12.3% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 11.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 12.5% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 12.7% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 12.4% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 110% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
41	Act 13, Abatement through 12/31/2007, 17.0% PSF	33,126	2,471	59	(2,122)	639	-	-	-	-	34,174	13	64
46	Delayed Act 13, Abatement through 12/31/2007, 21.6% PSF	33,237	2,513	59	(2,117)	647	7	(7)	-	-	34,338	18	89
51	$50k Increases, Abatement through 12/31/2007, 20.5% PSF	33,191	2,516	59	(2,097)	645	5	(5)	-	-	34,314	25	127
56	$100k Increases, Abatement through 12/31/2007, 17.1% PSF	33,139	2,469	59	(2,123)	643	4	(4)	-	-	34,186	14	69
61	HAP 1-Step, Abatement through 12/31/2007, 17.3% PSF	33,109	2,499	59	(2,129)	644	5	(5)	-	-	34,182	12	59
66	HAP 3-Step, Abatement through 12/31/2007, 17.9% PSF	33,160	2,479	59	(2,122)	644	4	(4)	-	-	34,221	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 17.0% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 21.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 20.5% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 17.1% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 17.3% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 17.9% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 110% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
71	Act 13, Abatement through 12/31/2007, 24.1% PSF	33,159	2,494	59	(2,122)	639	-	-	-	-	34,229	13	64
76	Delayed Act 13, Abatement through 12/31/2007, NF* PSF	33,029	2,522	290	(2,117)	647	7	(7)	-	-	34,370	(505)	89
81	$50k Increases, Abatement through 12/31/2007, 25.6% PSF	33,188	2,501	59	(2,097)	645	5	(5)	-	-	34,297	25	127
86	$100k Increases, Abatement through 12/31/2007, 24.1% PSF	33,168	2,493	59	(2,123)	643	4	(4)	-	-	34,240	14	69
91	HAP 1-Step, Abatement through 12/31/2007, NF* PSF	33,104	2,514	121	(2,129)	644	5	(5)	-	-	34,253	(134)	59
96	HAP 3-Step, Abatement through 12/31/2007, 25.6% PSF	33,196	2,500	59	(2,122)	644	4	(4)	-	-	34,277	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 24.1% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, NF* PSF	96%	7%	1%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 25.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 24.1% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, NF* PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 25.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

Note
Page numbers noted above are for the corresponding page in Exhibit 3 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 9.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,797	2,444	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,327		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	39	-	39	1,325
2007	963	233	2	1,198	963	108	-	1,072	0.2%	42	79	121	0	1,192	(6)	0	332	332	-	39	-	1,311
2008	1,110	234	-	1,343	1,110	256	(191)	1,175	9.6%	42	126	168	-	1,343	-	0	395	395	-	-	-	1,241
2009	1,134	238	-	1,372	1,134	257	(103)	1,288	9.6%	42	42	84	-	1,372	-	0	541	541	-	-	-	1,144
2010	1,159	240	-	1,399	1,159	262	(9)	1,412	9.6%	42	-	42	-	1,454	55	55	733	788	-	-	-	1,027
2011	1,295	234	-	1,529	1,295	264	(11)	1,548	9.6%	42	-	42	2	1,592	63	118	928	1,046	-	-	-	847
2012	1,430	216	-	1,646	1,430	257	-	1,687	9.0%	42	-	42	5	1,734	88	206	1,128	1,334	-	-	-	678
2013	1,794	188	-	1,982	1,794	237	(182)	1,850	9.6%	42	-	42	8	1,900	(82)	125	1,332	1,457	-	-	-	527
2014	2,251	155	-	2,406	2,251	207	(430)	2,028	9.6%	-	249	249	5	2,281	(125)	0	1,293	1,293	-	-	-	402
2015	2,485	119	-	2,604	2,485	171	(433)	2,223	9.6%	-	381	381	-	2,604	-	0	1,117	1,117	-	-	-	306
2016	2,544	88	-	2,632	2,544	131	(238)	2,437	9.6%	-	195	195	-	2,632	-	0	1,117	1,117	-	-	-	235
2017	2,605	65	-	2,670	2,605	96	(30)	2,672	9.6%	-	-	-	-	2,672	2	2	1,308	1,310	-	-	-	183
2018	2,667	48	-	2,715	2,667	72	-	2,739	2.5%	-	-	-	0	2,739	24	25	1,505	1,530	-	-	-	145
2019	2,731	37	-	2,768	2,731	53	-	2,784	1.6%	-	-	-	1	2,785	17	43	1,706	1,749	-	-	-	117
2020	2,797	28	-	2,824	2,797	40	-	2,837	1.9%	-	-	-	2	2,839	14	57	1,913	1,970	-	-	-	95
2021	2,864	22	-	2,885	2,864	31	-	2,894	2.0%	-	-	-	2	2,896	11	68	2,125	2,193	-	-	-	78
2022	3,162	18	-	3,180	3,162	24	(13)	3,173	9.6%	-	-	-	3	3,176	(4)	63	2,343	2,406	-	-	-	65
2023	3,968	14	-	3,982	3,968	20	(509)	3,479	9.6%	-	438	438	3	3,919	(63)	0	2,129	2,129	-	-	-	54
2024	4,980	11	-	4,991	4,980	15	(1,182)	3,814	9.6%	-	1,178	1,178	-	4,991	-	0	1,164	1,164	-	-	-	46
2025	5,500	9	-	5,509	5,500	12	(1,331)	4,181	9.6%	-	1,328	1,328	-	5,509	-	0	8	8	0	-	0	39
	48,383	2,419	2	50,804	48,383	2,639	(4,662)	46,360		336	4,016	4,352	33	50,745	-				39	39		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 10.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,882	2,445	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,281		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	82	-	82	1,537
2007	963	267	4	1,234	963	109	-	1,073	0.3%	42	113	155	0	1,228	(6)	(0)	299	299	-	76	6	1,522
2008	1,128	268	0	1,396	1,128	294	(238)	1,183	10.3%	42	170	212	-	1,396	-	(0)	317	317	-	6	-	1,442
2009	1,153	274	-	1,427	1,153	294	(142)	1,305	10.3%	42	79	121	-	1,427	-	(0)	423	423	-	-	-	1,331
2010	1,178	279	-	1,458	1,178	302	(40)	1,440	10.3%	42	-	42	-	1,482	24	24	610	634	-	-	-	1,193
2011	1,331	273	-	1,604	1,331	307	(50)	1,589	10.3%	42	-	42	1	1,632	27	51	800	851	-	-	-	983
2012	1,470	251	-	1,721	1,470	301	(18)	1,752	10.3%	42	-	42	2	1,797	75	127	995	1,121	-	-	-	786
2013	1,845	218	-	2,064	1,845	276	(188)	1,933	10.3%	42	-	42	5	1,980	(83)	44	1,194	1,237	-	-	-	611
2014	2,316	180	-	2,496	2,316	240	(424)	2,133	10.3%	-	318	318	2	2,452	(44)	(0)	1,080	1,080	-	-	-	466
2015	2,558	138	-	2,697	2,558	198	(404)	2,353	10.3%	-	344	344	-	2,697	-	(0)	932	932	-	-	-	354
2016	2,621	102	-	2,722	2,621	152	(177)	2,595	10.3%	-	127	127	-	2,722	-	(0)	993	993	-	-	-	273
2017	2,684	75	-	2,760	2,684	112	-	2,796	7.7%	-	-	-	-	2,796	36	36	1,180	1,216	-	-	-	213
2018	2,749	56	-	2,805	2,749	83	-	2,832	1.3%	-	-	-	1	2,834	29	65	1,371	1,436	-	-	-	168
2019	2,816	42	-	2,859	2,816	61	-	2,878	1.6%	-	-	-	3	2,880	21	86	1,567	1,653	-	-	-	135
2020	2,885	32	-	2,917	2,885	47	-	2,932	1.9%	-	-	-	3	2,935	18	104	1,768	1,873	-	-	-	110
2021	2,956	25	-	2,981	2,956	35	-	2,991	2.0%	-	-	-	4	2,995	14	119	1,975	2,093	-	-	-	91
2022	3,265	21	-	3,286	3,265	28	-	3,293	10.1%	-	-	-	5	3,298	12	131	2,186	2,317	-	-	-	75
2023	4,099	16	-	4,115	4,099	23	(489)	3,633	10.3%	-	347	347	5	3,985	(131)	(0)	2,057	2,057	-	-	-	63
2024	5,146	13	-	5,159	5,146	18	(1,157)	4,007	10.3%	-	1,152	1,152	-	5,159	-	(0)	1,115	1,115	-	-	-	53
2025	5,686	11	-	5,697	5,686	14	(1,279)	4,421	10.3%	-	1,276	1,276	-	5,697	-	(0)	9	9	0	-	0	45
	49,796	2,764	5	52,564	49,796	3,018	(4,606)	48,208		336	3,927	4,263	34	52,505	-				82	82		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,966	2,451	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,242		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	123	-	123	1,746
2007	963	286	6	1,256	963	111	-	1,074	0.4%	42	134	176	0	1,250	(6)	(0)	280	280	-	54	69	1,743
2008	1,146	302	4	1,451	1,146	319	(272)	1,193	11.1%	42	216	258	-	1,451	-	(0)	254	254	8	-	77	1,653
2009	1,171	311	4	1,486	1,171	336	(182)	1,325	11.1%	42	119	161	-	1,486	-	(0)	321	321	-	77	-	1,528
2010	1,198	320	-	1,518	1,198	342	(67)	1,472	11.1%	42	4	46	-	1,518	-	(0)	499	499	-	-	-	1,369
2011	1,367	315	-	1,682	1,367	352	(84)	1,635	11.1%	42	5	47	-	1,682	-	(0)	680	680	-	-	-	1,126
2012	1,511	288	-	1,799	1,511	347	(40)	1,817	11.1%	42	-	42	-	1,859	60	60	870	930	-	-	-	899
2013	1,897	250	-	2,147	1,897	317	(195)	2,018	11.1%	42	24	66	2	2,087	(60)	0	1,040	1,040	-	-	-	699
2014	2,382	206	-	2,587	2,382	275	(415)	2,242	11.1%	-	345	345	-	2,587	-	0	893	893	-	-	-	533
2015	2,632	158	-	2,790	2,632	226	(367)	2,491	11.1%	-	299	299	-	2,790	-	0	783	783	-	-	-	405
2016	2,697	116	-	2,813	2,697	174	(104)	2,767	11.1%	-	46	46	-	2,813	-	0	919	919	-	-	-	312
2017	2,763	86	-	2,849	2,763	128	-	2,891	4.5%	-	-	-	-	2,891	42	42	1,103	1,144	-	-	-	243
2018	2,832	64	-	2,896	2,832	95	-	2,926	1.2%	-	-	-	2	2,928	32	74	1,291	1,365	-	-	-	193
2019	2,902	49	-	2,950	2,902	70	-	2,972	1.6%	-	-	-	3	2,975	25	99	1,484	1,582	-	-	-	154
2020	2,974	37	-	3,010	2,974	53	-	3,027	1.8%	-	-	-	4	3,031	21	120	1,681	1,801	-	-	-	126
2021	3,047	29	-	3,076	3,047	40	-	3,088	2.0%	-	-	-	5	3,092	16	136	1,884	2,020	-	-	-	104
2022	3,368	24	-	3,392	3,368	32	-	3,400	10.1%	-	-	-	5	3,405	14	149	2,093	2,242	-	-	-	86
2023	4,230	19	-	4,249	4,230	26	(479)	3,777	11.1%	-	317	317	6	4,099	(149)	0	1,990	1,990	-	-	-	71
2024	5,313	15	-	5,328	5,313	21	(1,137)	4,196	11.1%	-	1,132	1,132	-	5,328	-	0	1,065	1,065	-	-	-	60
2025	5,872	12	-	5,884	5,872	17	(1,227)	4,661	11.1%	-	1,223	1,223	-	5,884	-	0	10	10	0	-	0	51
	51,209	3,109	14	54,331	51,209	3,405	(4,571)	50,043		336	3,864	4,200	30	54,272	-				131	131		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,046	2,460	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,207		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	164	-	164	1,951
2007	963	286	9	1,258	963	112	-	1,075	0.5%	42	135	177	0	1,252	(6)	(0)	280	280	-	49	116	1,978
2008	1,164	336	6	1,506	1,164	321	(283)	1,202	11.8%	42	262	304	-	1,506	-	(0)	210	210	50	-	165	1,880
2009	1,190	348	9	1,547	1,190	379	(225)	1,344	11.8%	42	161	203	-	1,547	-	(0)	238	238	-	55	110	1,740
2010	1,217	363	6	1,587	1,217	389	(103)	1,503	11.8%	42	41	83	-	1,587	-	(0)	380	380	-	110	-	1,557
2011	1,403	360	-	1,764	1,403	400	(122)	1,681	11.8%	42	41	83	-	1,764	-	(0)	520	520	-	-	-	1,280
2012	1,551	328	-	1,880	1,551	397	(68)	1,880	11.8%	42	-	42	-	1,922	42	42	703	746	-	-	-	1,021
2013	1,948	285	-	2,233	1,948	361	(208)	2,102	11.8%	42	45	87	2	2,191	(42)	0	846	846	-	-	-	793
2014	2,447	233	-	2,680	2,447	313	(410)	2,351	11.8%	-	330	330	-	2,680	-	0	706	706	-	-	-	605
2015	2,705	180	-	2,885	2,705	256	(333)	2,629	11.8%	-	256	256	-	2,885	-	0	631	631	-	-	-	459
2016	2,773	132	-	2,905	2,773	198	(31)	2,939	11.8%	-	-	-	-	2,939	35	35	806	841	-	-	-	354
2017	2,843	97	-	2,940	2,843	145	-	2,987	1.6%	-	-	-	1	2,989	49	84	986	1,069	-	-	-	276
2018	2,914	73	-	2,987	2,914	107	-	3,021	1.1%	-	-	-	3	3,024	38	121	1,169	1,291	-	-	-	218
2019	2,987	55	-	3,042	2,987	80	-	3,067	1.5%	-	-	-	5	3,072	30	151	1,357	1,508	-	-	-	175
2020	3,062	41	-	3,104	3,062	61	-	3,123	1.8%	-	-	-	6	3,129	25	177	1,550	1,726	-	-	-	143
2021	3,139	33	-	3,172	3,139	45	-	3,185	2.0%	-	-	-	7	3,192	20	196	1,748	1,944	-	-	-	118
2022	3,471	27	-	3,498	3,471	36	-	3,507	10.1%	-	-	-	8	3,515	17	213	1,950	2,164	-	-	-	97
2023	4,361	21	-	4,382	4,361	29	(469)	3,922	11.8%	-	239	239	9	4,169	(213)	(0)	1,920	1,920	-	-	-	81
2024	5,479	17	-	5,496	5,479	23	(1,117)	4,385	11.8%	-	1,111	1,111	-	5,496	-	(0)	1,014	1,014	-	-	-	68
2025	6,058	14	-	6,072	6,058	19	(1,173)	4,904	11.8%	-	1,168	1,168	-	6,072	-	(0)	12	12	0	-	0	58
	52,622	3,453	29	56,103	52,622	3,796	(4,542)	51,876		336	3,789	4,125	43	56,044	-				214	214		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 12.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,127	2,473	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,177		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	206	-	206	2,156
2007	963	286	11	1,260	963	113	-	1,076	0.6%	42	136	178	0	1,254	(6)	0	281	281	-	43	162	2,214
2008	1,182	370	9	1,561	1,182	324	(295)	1,211	12.6%	42	307	349	-	1,561	-	0	167	167	92	-	254	2,106
2009	1,209	385	13	1,607	1,209	422	(267)	1,364	12.6%	42	201	243	-	1,607	-	0	156	156	-	19	235	1,952
2010	1,237	406	12	1,655	1,237	437	(138)	1,535	12.6%	42	78	120	-	1,655	-	0	262	262	-	148	87	1,746
2011	1,439	406	5	1,850	1,439	452	(163)	1,728	12.6%	42	80	122	-	1,850	-	0	363	363	-	87	-	1,434
2012	1,592	369	-	1,960	1,592	446	(92)	1,945	12.6%	42	-	42	-	1,987	27	27	540	567	-	-	-	1,143
2013	2,000	320	-	2,319	2,000	406	(215)	2,190	12.6%	42	59	101	1	2,292	(27)	0	662	662	-	-	-	887
2014	2,513	261	-	2,773	2,513	352	(399)	2,466	12.6%	-	308	308	-	2,773	-	0	537	537	-	-	-	677
2015	2,779	201	-	2,980	2,779	287	(290)	2,776	12.6%	-	204	204	-	2,980	-	0	507	507	-	-	-	514
2016	2,849	147	-	2,997	2,849	221	-	3,070	10.6%	-	-	-	-	3,070	74	74	678	752	-	-	-	395
2017	2,922	109	-	3,030	2,922	162	-	3,084	0.4%	-	-	-	3	3,087	56	130	852	982	-	-	-	309
2018	2,996	82	-	3,078	2,996	120	-	3,116	1.0%	-	-	-	5	3,121	43	173	1,030	1,204	-	-	-	244
2019	3,072	62	-	3,134	3,072	90	-	3,162	1.5%	-	-	-	7	3,169	35	208	1,213	1,421	-	-	-	195
2020	3,151	46	-	3,197	3,151	68	-	3,219	1.8%	-	-	-	8	3,227	30	239	1,400	1,638	-	-	-	160
2021	3,231	36	-	3,268	3,231	51	-	3,282	2.0%	-	-	-	10	3,292	24	262	1,591	1,854	-	-	-	132
2022	3,574	30	-	3,604	3,574	40	-	3,614	10.1%	-	-	-	10	3,624	21	283	1,788	2,071	-	-	-	109
2023	4,492	24	-	4,516	4,492	33	(456)	4,068	12.6%	-	153	153	11	4,233	(283)	(0)	1,837	1,837	-	-	-	91
2024	5,645	19	-	5,665	5,645	26	(1,092)	4,580	12.6%	-	1,085	1,085	-	5,665	-	(0)	953	953	-	-	-	76
2025	6,244	16	-	6,260	6,244	21	(1,109)	5,156	12.6%	-	1,104	1,104	-	6,260	-	(0)	13	13	0	-	0	64
	54,035	3,797	50	57,881	54,035	4,194	(4,517)	53,712		336	3,715	4,051	58	57,821	-				297	297		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 10.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,847	2,443	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,383		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	46	-	46	1,360
2007	963	233	2	1,199	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	(0)	332	332	-	46	-	1,401
2008	983	236	-	1,218	983	256	(50)	1,189	10.9%	42	-	42	-	1,231	12	12	522	534	-	-	-	1,429
2009	1,002	245	-	1,247	1,002	259	-	1,261	6.1%	42	-	42	0	1,304	56	69	715	784	-	-	-	1,440
2010	1,159	259	-	1,418	1,159	270	(30)	1,399	10.9%	42	-	42	3	1,443	26	94	913	1,008	-	-	-	1,370
2011	1,184	272	-	1,456	1,184	285	-	1,469	5.0%	42	-	42	4	1,515	59	153	1,116	1,269	-	-	-	1,264
2012	1,305	276	-	1,581	1,305	299	-	1,604	9.2%	42	-	42	6	1,652	71	225	1,323	1,548	-	-	-	1,131
2013	1,794	266	-	2,060	1,794	303	(319)	1,779	10.9%	42	5	47	9	1,835	(225)	(0)	1,530	1,530	-	-	-	926
2014	2,251	241	-	2,492	2,251	292	(571)	1,972	10.9%	-	519	519	-	2,492	-	(0)	1,228	1,228	-	-	-	735
2015	2,485	207	-	2,693	2,485	265	(563)	2,187	10.9%	-	505	505	-	2,693	-	(0)	925	925	-	-	-	569
2016	2,544	172	-	2,716	2,544	228	(347)	2,425	10.9%	-	291	291	-	2,716	-	(0)	821	821	-	-	-	429
2017	2,605	132	-	2,737	2,605	189	(105)	2,689	10.9%	-	48	48	-	2,737	-	(0)	953	953	-	-	-	322
2018	2,667	95	-	2,763	2,667	145	-	2,812	4.6%	-	-	-	-	2,812	50	50	1,135	1,185	-	-	-	245
2019	2,731	69	-	2,800	2,731	105	-	2,836	0.8%	-	-	-	2	2,838	38	87	1,322	1,410	-	-	-	189
2020	2,797	51	-	2,848	2,797	76	-	2,873	1.3%	-	-	-	3	2,876	29	116	1,513	1,630	-	-	-	149
2021	2,864	39	-	2,903	2,864	56	-	2,920	1.6%	-	-	-	5	2,924	22	138	1,710	1,847	-	-	-	118
2022	3,162	29	-	3,191	3,162	43	-	3,205	9.8%	-	-	-	6	3,211	20	157	1,911	2,068	-	-	-	95
2023	3,968	22	-	3,991	3,968	32	(446)	3,554	10.9%	-	273	273	6	3,833	(157)	(0)	1,845	1,845	-	-	-	78
2024	4,980	18	-	4,998	4,980	24	(1,063)	3,941	10.9%	-	1,057	1,057	-	4,998	-	(0)	990	990	-	-	-	65
2025	5,500	14	-	5,514	5,500	20	(1,149)	4,370	10.9%	-	1,144	1,144	-	5,514	-	(0)	11	11	0	-	0	54
	47,889	3,098	2	50,989	47,889	3,381	(4,643)	46,626		336	3,921	4,257	47	50,930	-				46	46		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,939	2,445	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,346		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	90	-	90	1,577
2007	963	267	5	1,235	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	63	26	1,625
2008	983	270	1	1,253	983	295	(84)	1,193	11.2%	42	18	60	-	1,253	-	0	470	470	-	26	-	1,657
2009	1,002	282	-	1,284	1,002	296	-	1,299	8.9%	42	-	42	-	1,341	57	57	661	718	-	-	-	1,669
2010	1,178	301	-	1,479	1,178	310	(44)	1,444	11.2%	42	-	42	2	1,488	9	66	857	923	-	-	-	1,586
2011	1,204	317	-	1,521	1,204	331	-	1,535	6.3%	42	-	42	3	1,580	59	125	1,058	1,182	-	-	-	1,460
2012	1,328	320	-	1,647	1,328	348	-	1,676	9.2%	42	-	42	5	1,723	76	200	1,263	1,463	-	-	-	1,304
2013	1,845	307	-	2,153	1,845	352	(333)	1,864	11.2%	42	39	81	8	1,952	(200)	-	1,434	1,434	-	-	-	1,066
2014	2,316	278	-	2,594	2,316	338	(582)	2,072	11.2%	-	522	522	-	2,594	-	0	1,126	1,126	-	-	-	847
2015	2,558	239	-	2,798	2,558	306	(560)	2,304	11.2%	-	493	493	-	2,798	-	0	831	831	-	-	-	655
2016	2,621	198	-	2,819	2,621	263	(322)	2,562	11.2%	-	256	256	-	2,819	-	0	757	757	-	-	-	494
2017	2,684	152	-	2,836	2,684	218	(53)	2,849	11.2%	-	-	-	-	2,849	13	13	935	948	-	-	-	371
2018	2,749	110	-	2,859	2,749	167	-	2,916	2.4%	-	-	-	1	2,917	57	70	1,116	1,187	-	-	-	282
2019	2,816	80	-	2,896	2,816	121	-	2,937	0.7%	-	-	-	3	2,940	44	114	1,302	1,417	-	-	-	218
2020	2,885	59	-	2,944	2,885	88	-	2,973	1.2%	-	-	-	5	2,977	34	148	1,493	1,641	-	-	-	172
2021	2,956	45	-	3,001	2,956	64	-	3,020	1.6%	-	-	-	6	3,026	25	174	1,688	1,861	-	-	-	136
2022	3,265	33	-	3,299	3,265	49	-	3,315	9.8%	-	-	-	7	3,322	23	197	1,888	2,085	-	-	-	110
2023	4,099	26	-	4,125	4,099	37	(450)	3,686	11.2%	-	235	235	8	3,928	(197)	(0)	1,859	1,859	-	-	-	90
2024	5,146	21	-	5,167	5,146	28	(1,076)	4,098	11.2%	-	1,069	1,069	-	5,167	-	(0)	993	993	-	-	-	75
2025	5,686	16	-	5,702	5,686	23	(1,152)	4,557	11.2%	-	1,145	1,145	-	5,702	-	(0)	13	13	0	-	0	63
	49,231	3,540	6	52,777	49,231	3,868	(4,657)	48,442		336	3,891	4,227	49	52,718	-				90	90		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,029	2,448	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,312		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	132	-	132	1,791
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,251	(6)	(0)	280	280	-	40	92	1,859
2008	983	304	5	1,291	983	320	(106)	1,197	11.4%	42	52	94	-	1,291	-	(0)	419	419	-	92	-	1,896
2009	1,002	319	-	1,321	1,002	334	(3)	1,334	11.4%	42	-	42	-	1,376	54	54	608	663	-	-	-	1,908
2010	1,198	344	-	1,542	1,198	351	(63)	1,486	11.4%	42	-	42	2	1,530	(12)	42	802	845	-	-	-	1,811
2011	1,225	364	-	1,589	1,225	379	-	1,603	7.9%	42	-	42	2	1,647	58	101	1,000	1,101	-	-	-	1,662
2012	1,350	365	-	1,716	1,350	400	-	1,751	9.2%	42	-	42	4	1,797	81	182	1,203	1,385	-	-	-	1,483
2013	1,897	351	-	2,248	1,897	402	(348)	1,951	11.4%	42	65	107	7	2,066	(182)	(0)	1,345	1,345	-	-	-	1,211
2014	2,382	316	-	2,697	2,382	386	(594)	2,174	11.4%	-	523	523	-	2,697	-	(0)	1,032	1,032	-	-	-	962
2015	2,632	272	-	2,904	2,632	347	(557)	2,422	11.4%	-	481	481	-	2,904	-	(0)	745	745	-	-	-	743
2016	2,697	225	-	2,921	2,697	299	(297)	2,699	11.4%	-	222	222	-	2,921	-	(0)	702	702	-	-	-	561
2017	2,763	172	-	2,935	2,763	247	(3)	3,008	11.4%	-	-	-	-	3,008	73	73	878	950	-	-	-	421
2018	2,832	125	-	2,957	2,832	189	-	3,021	0.4%	-	-	-	3	3,024	67	140	1,057	1,197	-	-	-	321
2019	2,902	90	-	2,992	2,902	137	-	3,039	0.6%	-	-	-	6	3,045	52	192	1,240	1,433	-	-	-	248
2020	2,974	66	-	3,040	2,974	100	-	3,073	1.1%	-	-	-	8	3,081	41	233	1,428	1,661	-	-	-	195
2021	3,047	51	-	3,098	3,047	73	-	3,120	1.5%	-	-	-	9	3,130	31	264	1,621	1,886	-	-	-	155
2022	3,368	38	-	3,406	3,368	56	-	3,424	9.7%	-	-	-	11	3,435	29	293	1,819	2,112	-	-	-	125
2023	4,230	29	-	4,259	4,230	42	(456)	3,816	11.4%	-	139	139	12	3,966	(293)	0	1,883	1,883	-	-	-	103
2024	5,313	23	-	5,336	5,313	32	(1,093)	4,252	11.4%	-	1,085	1,085	-	5,336	-	0	1,002	1,002	-	-	-	85
2025	5,872	18	-	5,890	5,872	26	(1,160)	4,738	11.4%	-	1,153	1,153	-	5,890	-	0	14	14	0	-	0	71
	50,573	3,982	12	54,567	50,573	4,356	(4,678)	50,251		336	3,855	4,191	66	54,508	-				132	132		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,115	2,452	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,278		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	174	-	174	2,001
2007	963	286	9	1,259	963	112	-	1,075	0.6%	42	136	178	0	1,253	(6)	(0)	280	280	-	33	141	2,107
2008	983	338	7	1,328	983	323	(103)	1,202	11.8%	42	84	126	-	1,328	-	(0)	390	390	-	101	40	2,150
2009	1,002	357	2	1,361	1,002	374	(32)	1,344	11.8%	42	-	42	-	1,386	25	25	580	605	-	40	-	2,162
2010	1,217	390	-	1,607	1,217	393	(107)	1,503	11.8%	42	36	78	1	1,582	(25)	(0)	736	736	-	-	-	2,049
2011	1,245	415	-	1,660	1,245	429	-	1,674	11.4%	42	-	42	-	1,716	56	56	931	988	-	-	-	1,876
2012	1,373	414	-	1,788	1,373	456	-	1,829	9.3%	42	-	42	2	1,874	86	142	1,131	1,274	-	-	-	1,669
2013	1,948	397	-	2,345	1,948	456	(359)	2,046	11.8%	42	109	151	6	2,203	(142)	(0)	1,227	1,227	-	-	-	1,362
2014	2,447	355	-	2,803	2,447	436	(596)	2,287	11.8%	-	515	515	-	2,803	-	(0)	917	917	-	-	-	1,081
2015	2,705	306	-	3,011	2,705	391	(539)	2,557	11.8%	-	454	454	-	3,011	-	(0)	653	653	-	-	-	835
2016	2,773	252	-	3,025	2,773	337	(250)	2,860	11.8%	-	166	166	-	3,025	-	(0)	663	663	-	-	-	631
2017	2,843	193	-	3,035	2,843	278	-	3,120	9.1%	-	-	-	-	3,120	85	85	837	922	-	-	-	474
2018	2,914	140	-	3,054	2,914	212	-	3,126	0.2%	-	-	-	3	3,129	75	160	1,014	1,174	-	-	-	360
2019	2,987	102	-	3,089	2,987	154	-	3,142	0.5%	-	-	-	6	3,148	59	219	1,196	1,415	-	-	-	279
2020	3,062	74	-	3,137	3,062	112	-	3,174	1.0%	-	-	-	9	3,183	46	265	1,382	1,648	-	-	-	220
2021	3,139	57	-	3,197	3,139	82	-	3,221	1.5%	-	-	-	11	3,232	35	301	1,573	1,874	-	-	-	175
2022	3,471	43	-	3,514	3,471	63	-	3,534	9.7%	-	-	-	12	3,546	32	333	1,769	2,102	-	-	-	141
2023	4,361	33	-	4,394	4,361	47	(456)	3,951	11.8%	-	96	96	13	4,061	(333)	(0)	1,874	1,874	-	-	-	116
2024	5,479	27	-	5,506	5,479	36	(1,097)	4,418	11.8%	-	1,087	1,087	-	5,506	-	(0)	989	989	-	-	-	96
2025	6,058	21	-	6,079	6,058	29	(1,147)	4,941	11.8%	-	1,138	1,138	-	6,079	-	(0)	16	16	-	-	-	80
	51,916	4,423	19	56,357	51,916	4,845	(4,686)	52,074		336	3,822	4,158	66	56,298	-				174	174		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 12.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,201	2,457	59	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,246		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	217	-	217	2,211
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	26	190	2,355
2008	983	372	10	1,365	983	326	(100)	1,208	12.3%	42	115	157	-	1,365	-	(0)	361	361	-	71	119	2,403
2009	1,002	395	6	1,403	1,002	417	(62)	1,356	12.3%	42	5	47	-	1,403	-	(0)	549	549	-	119	-	2,417
2010	1,237	435	-	1,672	1,237	434	(148)	1,523	12.3%	42	107	149	-	1,672	-	(0)	633	633	-	-	-	2,287
2011	1,265	465	-	1,731	1,265	479	(34)	1,709	12.3%	42	-	42	-	1,751	21	21	824	845	-	-	-	2,089
2012	1,396	464	-	1,859	1,396	512	-	1,908	11.6%	42	-	42	1	1,950	91	112	1,019	1,132	-	-	-	1,856
2013	2,000	442	-	2,442	2,000	510	(368)	2,142	12.3%	42	142	184	4	2,330	(112)	0	1,078	1,078	-	-	-	1,513
2014	2,513	395	-	2,908	2,513	487	(595)	2,404	12.3%	-	504	504	-	2,908	-	0	773	773	-	-	-	1,201
2015	2,779	340	-	3,119	2,779	435	(514)	2,699	12.3%	-	420	420	-	3,119	-	0	538	538	-	-	-	928
2016	2,849	280	-	3,129	2,849	374	(193)	3,030	12.3%	-	99	99	-	3,129	-	0	610	610	-	-	-	700
2017	2,922	214	-	3,135	2,922	308	-	3,230	6.6%	-	-	-	-	3,230	95	95	782	876	-	-	-	527
2018	2,996	156	-	3,152	2,996	235	-	3,231	0.0%	-	-	-	4	3,235	83	177	957	1,134	-	-	-	400
2019	3,072	113	-	3,186	3,072	172	-	3,244	0.4%	-	-	-	7	3,251	66	243	1,137	1,380	-	-	-	310
2020	3,151	82	-	3,233	3,151	124	-	3,275	1.0%	-	-	-	10	3,285	52	295	1,320	1,615	-	-	-	244
2021	3,231	63	-	3,295	3,231	91	-	3,322	1.4%	-	-	-	12	3,334	39	334	1,509	1,843	-	-	-	194
2022	3,574	47	-	3,621	3,574	70	-	3,644	9.7%	-	-	-	13	3,657	36	369	1,702	2,072	-	-	-	157
2023	4,492	37	-	4,529	4,492	52	(453)	4,091	12.3%	-	54	54	15	4,159	(369)	-	1,847	1,847	-	-	-	129
2024	5,645	30	-	5,675	5,645	40	(1,094)	4,592	12.3%	-	1,083	1,083	-	5,675	-	0	966	966	-	-	-	106
2025	6,244	23	-	6,267	6,244	33	(1,121)	5,156	12.3%	-	1,112	1,112	-	6,267	-	0	18	18	-	-	-	89
	53,258	4,864	28	58,150	53,258	5,336	(4,684)	53,909		336	3,776	4,112	68	58,090	-				217	217		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 10.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,826	2,441	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,371		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	45	-	45	1,351
2007	963	233	2	1,198	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	(0)	332	332	-	45	-	1,376
2008	1,011	235	-	1,246	1,011	256	(85)	1,183	10.4%	42	21	63	-	1,246	-	(0)	500	500	-	-	-	1,390
2009	1,059	243	-	1,303	1,059	259	(13)	1,305	10.4%	42	-	42	-	1,347	44	44	693	737	-	-	-	1,385
2010	1,109	254	-	1,363	1,109	268	-	1,376	5.5%	42	-	42	2	1,420	57	101	890	992	-	-	-	1,356
2011	1,159	263	-	1,422	1,159	280	-	1,439	4.5%	42	-	42	4	1,485	63	164	1,092	1,256	-	-	-	1,302
2012	1,305	266	-	1,571	1,305	290	(7)	1,588	10.4%	42	-	42	7	1,636	65	229	1,298	1,527	-	-	-	1,225
2013	1,669	260	-	1,929	1,669	292	(210)	1,752	10.4%	42	-	42	9	1,803	(126)	103	1,510	1,612	-	-	-	1,129
2014	2,134	248	-	2,382	2,134	286	(487)	1,933	10.4%	-	342	342	4	2,279	(103)	0	1,385	1,385	-	-	-	1,014
2015	2,399	231	-	2,631	2,399	272	(538)	2,133	10.4%	-	497	497	-	2,631	-	0	1,096	1,096	-	-	-	881
2016	2,500	213	-	2,713	2,500	255	(401)	2,354	10.4%	-	359	359	-	2,713	-	0	931	931	-	-	-	737
2017	2,605	190	-	2,795	2,605	234	(241)	2,598	10.4%	-	197	197	-	2,795	-	0	918	918	-	-	-	587
2018	2,667	163	-	2,830	2,667	209	(10)	2,867	10.4%	-	-	-	-	2,867	36	36	1,099	1,135	-	-	-	456
2019	2,731	134	-	2,865	2,731	180	-	2,911	1.5%	-	-	-	1	2,912	47	84	1,284	1,368	-	-	-	348
2020	2,797	105	-	2,901	2,797	147	-	2,944	1.1%	-	-	-	3	2,947	46	129	1,474	1,604	-	-	-	264
2021	2,864	78	-	2,942	2,864	115	-	2,979	1.2%	-	-	-	5	2,984	42	172	1,669	1,840	-	-	-	201
2022	3,162	57	-	3,219	3,162	86	-	3,248	9.0%	-	-	-	7	3,255	36	207	1,868	2,076	-	-	-	155
2023	3,968	42	-	4,010	3,968	63	(447)	3,584	10.4%	-	210	210	8	3,803	(207)	-	1,863	1,863	-	-	-	122
2024	4,980	31	-	5,011	4,980	46	(1,071)	3,955	10.4%	-	1,056	1,056	-	5,011	-	(0)	1,009	1,009	-	-	-	97
2025	5,500	24	-	5,523	5,500	34	(1,170)	4,365	10.4%	-	1,159	1,159	-	5,523	-	(0)	16	16	0	-	0	79
	47,528	3,493	2	51,023	47,528	3,804	(4,678)	46,654		336	3,920	4,256	53	50,963	-				45	45		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 10.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,915	2,442	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,333		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	88	-	88	1,567
2007	963	267	5	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	67	20	1,596
2008	1,015	269	1	1,285	1,015	294	(123)	1,187	10.6%	42	56	98	-	1,285	-	0	431	431	-	20	-	1,612
2009	1,068	280	-	1,348	1,068	296	(51)	1,313	10.6%	42	-	42	-	1,355	7	7	622	629	-	-	-	1,606
2010	1,121	296	-	1,417	1,121	308	-	1,429	8.8%	42	-	42	0	1,471	55	62	816	878	-	-	-	1,570
2011	1,175	307	-	1,482	1,175	325	-	1,501	5.0%	42	-	42	2	1,545	63	124	1,014	1,139	-	-	-	1,503
2012	1,328	308	-	1,636	1,328	338	(6)	1,660	10.6%	42	-	42	5	1,707	71	195	1,218	1,413	-	-	-	1,412
2013	1,703	301	-	2,004	1,703	339	(206)	1,836	10.6%	42	-	42	8	1,886	(118)	77	1,426	1,503	-	-	-	1,298
2014	2,183	285	-	2,468	2,183	331	(483)	2,031	10.6%	-	357	357	3	2,391	(77)	0	1,282	1,282	-	-	-	1,166
2015	2,460	267	-	2,727	2,460	314	(528)	2,246	10.6%	-	480	480	-	2,727	-	0	1,006	1,006	-	-	-	1,012
2016	2,570	244	-	2,815	2,570	293	(379)	2,485	10.6%	-	330	330	-	2,815	-	0	867	867	-	-	-	846
2017	2,684	218	-	2,902	2,684	269	(204)	2,749	10.6%	-	154	154	-	2,902	-	0	895	895	-	-	-	674
2018	2,749	187	-	2,937	2,749	240	-	2,989	8.8%	-	-	-	-	2,989	52	52	1,075	1,127	-	-	-	524
2019	2,816	153	-	2,970	2,816	206	-	3,023	1.1%	-	-	-	2	3,025	55	107	1,259	1,366	-	-	-	400
2020	2,885	120	-	3,005	2,885	169	-	3,054	1.0%	-	-	-	4	3,058	53	161	1,448	1,608	-	-	-	303
2021	2,956	89	-	3,045	2,956	132	-	3,087	1.1%	-	-	-	6	3,094	49	209	1,641	1,851	-	-	-	231
2022	3,265	65	-	3,331	3,265	98	-	3,363	8.9%	-	-	-	8	3,372	41	251	1,840	2,091	-	-	-	178
2023	4,099	48	-	4,147	4,099	72	(451)	3,720	10.6%	-	166	166	10	3,897	(251)	-	1,878	1,878	-	-	-	140
2024	5,146	36	-	5,182	5,146	53	(1,084)	4,115	10.6%	-	1,067	1,067	-	5,182	-	(0)	1,013	1,013	-	-	-	112
2025	5,686	27	-	5,713	5,686	40	(1,173)	4,552	10.6%	-	1,161	1,161	-	5,713	-	(0)	18	18	0	-	0	90
	48,818	3,991	6	52,815	48,818	4,351	(4,687)	48,482		336	3,885	4,221	52	52,756	-				88	88		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 10.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,001	2,445	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,296		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	130	-	130	1,780
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,251	(6)	(0)	280	280	-	45	86	1,826
2008	1,019	303	4	1,327	1,019	320	(148)	1,191	10.9%	42	94	136	-	1,327	-	(0)	376	376	-	86	-	1,845
2009	1,076	317	-	1,393	1,076	333	(89)	1,320	10.9%	42	31	73	-	1,393	-	(0)	534	534	-	-	-	1,838
2010	1,133	338	-	1,472	1,133	349	(19)	1,463	10.9%	42	-	42	-	1,505	34	34	724	758	-	-	-	1,793
2011	1,192	353	-	1,545	1,192	372	-	1,564	6.9%	42	-	42	1	1,608	62	96	919	1,016	-	-	-	1,711
2012	1,350	353	-	1,703	1,350	388	(5)	1,734	10.9%	42	-	42	4	1,780	77	173	1,119	1,292	-	-	-	1,604
2013	1,737	343	-	2,080	1,737	388	(202)	1,923	10.9%	42	-	42	7	1,972	(108)	65	1,323	1,388	-	-	-	1,472
2014	2,232	324	-	2,556	2,232	378	(478)	2,132	10.9%	-	357	357	3	2,491	(65)	(0)	1,176	1,176	-	-	-	1,320
2015	2,521	303	-	2,824	2,521	357	(515)	2,363	10.9%	-	461	461	-	2,824	-	(0)	915	915	-	-	-	1,145
2016	2,640	277	-	2,917	2,640	333	(353)	2,620	10.9%	-	297	297	-	2,917	-	(0)	805	805	-	-	-	956
2017	2,763	247	-	3,010	2,763	304	(163)	2,905	10.9%	-	105	105	-	3,010	-	(0)	879	879	-	-	-	762
2018	2,832	212	-	3,044	2,832	271	-	3,103	6.8%	-	-	-	-	3,103	59	59	1,058	1,117	-	-	-	592
2019	2,902	173	-	3,075	2,902	233	-	3,135	1.0%	-	-	-	2	3,138	62	121	1,242	1,363	-	-	-	452
2020	2,974	135	-	3,109	2,974	191	-	3,165	0.9%	-	-	-	5	3,169	60	182	1,430	1,612	-	-	-	343
2021	3,047	101	-	3,148	3,047	149	-	3,196	1.0%	-	-	-	7	3,203	55	237	1,623	1,859	-	-	-	261
2022	3,368	74	-	3,442	3,368	111	-	3,479	8.9%	-	-	-	9	3,489	47	284	1,820	2,104	-	-	-	202
2023	4,230	55	-	4,285	4,230	81	(454)	3,857	10.9%	-	133	133	11	4,001	(284)	(0)	1,891	1,891	-	-	-	159
2024	5,313	41	-	5,354	5,313	60	(1,097)	4,276	10.9%	-	1,077	1,077	-	5,354	-	(0)	1,017	1,017	-	-	-	127
2025	5,872	31	-	5,903	5,872	45	(1,176)	4,741	10.9%	-	1,162	1,162	-	5,903	-	(0)	21	21	0	-	0	103
	50,109	4,489	11	54,609	50,109	4,899	(4,698)	50,310		336	3,851	4,187	53	54,550	-				130	130		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,084	2,449	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,263		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	172	-	172	1,989
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	(0)	280	280	-	38	134	2,071
2008	1,023	338	7	1,368	1,023	323	(152)	1,194	11.1%	42	132	174	-	1,368	-	(0)	342	342	-	57	77	2,093
2009	1,084	355	4	1,443	1,084	376	(133)	1,327	11.1%	42	74	116	-	1,443	-	(0)	457	457	-	77	-	2,084
2010	1,146	383	-	1,529	1,146	390	(62)	1,474	11.1%	42	13	55	-	1,529	-	(0)	632	632	-	-	-	2,029
2011	1,209	403	-	1,611	1,209	422	-	1,631	10.6%	42	-	42	-	1,673	61	61	823	884	-	-	-	1,930
2012	1,373	400	-	1,773	1,373	443	(5)	1,811	11.1%	42	-	42	2	1,856	83	144	1,019	1,163	-	-	-	1,804
2013	1,770	388	-	2,159	1,770	440	(198)	2,012	11.1%	42	-	42	6	2,060	(99)	45	1,219	1,264	-	-	-	1,652
2014	2,280	365	-	2,645	2,280	427	(472)	2,236	11.1%	-	363	363	2	2,600	(45)	(0)	1,061	1,061	-	-	-	1,479
2015	2,583	340	-	2,923	2,583	401	(500)	2,484	11.1%	-	439	439	-	2,923	-	(0)	818	818	-	-	-	1,282
2016	2,710	310	-	3,020	2,710	374	(325)	2,759	11.1%	-	261	261	-	3,020	-	(0)	739	739	-	-	-	1,070
2017	2,843	276	-	3,118	2,843	341	(119)	3,065	11.1%	-	53	53	-	3,118	-	(0)	863	863	-	-	-	852
2018	2,914	237	-	3,151	2,914	303	-	3,217	5.0%	-	-	-	-	3,217	66	66	1,042	1,108	-	-	-	663
2019	2,987	194	-	3,181	2,987	261	-	3,248	1.0%	-	-	-	3	3,251	70	136	1,224	1,360	-	-	-	506
2020	3,062	151	-	3,213	3,062	213	-	3,276	0.8%	-	-	-	5	3,281	68	204	1,412	1,616	-	-	-	384
2021	3,139	113	-	3,252	3,139	166	-	3,305	0.9%	-	-	-	8	3,314	61	265	1,604	1,869	-	-	-	293
2022	3,471	83	-	3,554	3,471	124	-	3,595	8.8%	-	-	-	11	3,606	52	317	1,801	2,118	-	-	-	227
2023	4,361	61	-	4,422	4,361	91	(458)	3,994	11.1%	-	99	99	13	4,105	(317)	(0)	1,905	1,905	-	-	-	178
2024	5,479	46	-	5,525	5,479	67	(1,110)	4,437	11.1%	-	1,088	1,088	-	5,525	-	(0)	1,021	1,021	-	-	-	142
2025	6,058	35	-	6,093	6,058	50	(1,179)	4,929	11.1%	-	1,164	1,164	-	6,093	-	(0)	23	23	0	-	0	115
	51,400	4,986	20	56,406	51,400	5,451	(4,712)	52,138		336	3,821	4,157	52	56,347	-				172	172		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,168	2,457	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,232		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	214	-	214	2,198
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	32	182	2,315
2008	1,027	372	10	1,409	1,027	325	(151)	1,201	11.6%	42	165	207	-	1,409	-	(0)	310	310	-	24	158	2,341
2009	1,092	392	8	1,493	1,092	418	(169)	1,341	11.6%	42	109	151	-	1,493	-	(0)	392	392	-	84	74	2,331
2010	1,158	428	4	1,590	1,158	436	(96)	1,497	11.6%	42	51	93	-	1,590	-	(0)	530	530	-	74	-	2,265
2011	1,225	452	-	1,677	1,225	471	(25)	1,671	11.6%	42	-	42	-	1,713	36	36	717	753	-	-	-	2,149
2012	1,396	448	-	1,844	1,396	497	(27)	1,866	11.6%	42	-	42	1	1,909	66	102	908	1,010	-	-	-	2,004
2013	1,804	433	-	2,237	1,804	493	(213)	2,083	11.6%	42	6	48	4	2,135	(102)	(0)	1,098	1,098	-	-	-	1,832
2014	2,329	406	-	2,735	2,329	477	(480)	2,326	11.6%	-	409	409	-	2,735	-	(0)	889	889	-	-	-	1,639
2015	2,644	378	-	3,021	2,644	446	(494)	2,596	11.6%	-	425	425	-	3,021	-	(0)	652	652	-	-	-	1,419
2016	2,780	344	-	3,124	2,780	416	(297)	2,899	11.6%	-	225	225	-	3,124	-	(0)	603	603	-	-	-	1,183
2017	2,922	305	-	3,227	2,922	378	(64)	3,236	11.6%	-	-	-	-	3,236	9	9	774	783	-	-	-	943
2018	2,996	263	-	3,259	2,996	336	-	3,332	3.0%	-	-	-	0	3,332	73	82	949	1,032	-	-	-	733
2019	3,072	214	-	3,287	3,072	289	-	3,361	0.9%	-	-	-	3	3,365	78	160	1,128	1,289	-	-	-	560
2020	3,151	167	-	3,318	3,151	236	-	3,387	0.8%	-	-	-	6	3,393	76	236	1,312	1,548	-	-	-	425
2021	3,231	124	-	3,356	3,231	183	-	3,415	0.8%	-	-	-	9	3,424	68	304	1,500	1,804	-	-	-	324
2022	3,574	91	-	3,665	3,574	137	-	3,711	8.7%	-	-	-	12	3,723	58	362	1,693	2,055	-	-	-	251
2023	4,492	68	-	4,560	4,492	101	(450)	4,143	11.6%	-	41	41	14	4,198	(362)	(0)	1,850	1,850	-	-	-	197
2024	5,645	51	-	5,696	5,645	75	(1,095)	4,625	11.6%	-	1,071	1,071	-	5,696	-	(0)	981	981	-	-	-	157
2025	6,244	38	-	6,283	6,244	56	(1,137)	5,163	11.6%	-	1,119	1,119	-	6,283	-	(0)	25	25	0	-	0	127
	52,691	5,484	33	58,207	52,691	6,006	(4,699)	53,998		336	3,760	4,096	54	58,148	-				214	214		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 9.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,806	2,444	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,336		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	43	-	43	1,343
2007	963	233	2	1,198	963	108	-	1,072	0.3%	42	79	121	0	1,193	(6)	0	332	332	-	43	-	1,348
2008	1,038	235	-	1,272	1,038	256	(118)	1,176	9.8%	42	54	96	-	1,272	-	0	467	467	-	-	-	1,316
2009	1,110	242	-	1,352	1,110	258	(77)	1,291	9.8%	42	19	61	-	1,352	-	0	640	640	-	-	-	1,239
2010	1,182	248	-	1,430	1,182	266	(30)	1,417	9.8%	42	-	42	-	1,459	29	29	835	864	-	-	-	1,113
2011	1,254	248	-	1,502	1,254	273	-	1,527	7.7%	42	-	42	1	1,570	68	97	1,035	1,132	-	-	-	949
2012	1,430	236	-	1,666	1,430	273	(27)	1,676	9.8%	42	-	42	4	1,722	56	153	1,239	1,392	-	-	-	765
2013	1,794	209	-	2,003	1,794	259	(214)	1,839	9.8%	42	-	42	6	1,887	(116)	37	1,448	1,485	-	-	-	598
2014	2,251	174	-	2,425	2,251	230	(462)	2,019	9.8%	-	367	367	1	2,388	(37)	(0)	1,295	1,295	-	-	-	458
2015	2,485	136	-	2,621	2,485	191	(460)	2,216	9.8%	-	405	405	-	2,621	-	(0)	1,095	1,095	-	-	-	348
2016	2,544	102	-	2,646	2,544	149	(261)	2,432	9.8%	-	214	214	-	2,646	-	(0)	1,074	1,074	-	-	-	265
2017	2,605	75	-	2,680	2,605	112	(48)	2,670	9.8%	-	11	11	-	2,680	-	(0)	1,254	1,254	-	-	-	205
2018	2,667	55	-	2,723	2,667	83	-	2,750	3.0%	-	-	-	-	2,750	27	27	1,448	1,475	-	-	-	161
2019	2,731	41	-	2,772	2,731	61	-	2,792	1.5%	-	-	-	1	2,793	21	48	1,647	1,696	-	-	-	129
2020	2,797	32	-	2,828	2,797	45	-	2,842	1.8%	-	-	-	2	2,844	16	64	1,852	1,915	-	-	-	104
2021	2,864	24	-	2,888	2,864	35	-	2,898	2.0%	-	-	-	3	2,901	13	77	2,061	2,138	-	-	-	85
2022	3,162	19	-	3,182	3,162	27	(8)	3,181	9.8%	-	-	-	3	3,184	3	79	2,277	2,356	-	-	-	70
2023	3,968	15	-	3,984	3,968	21	(498)	3,492	9.8%	-	409	409	3	3,904	(79)	0	2,089	2,089	-	-	-	58
2024	4,980	12	-	4,992	4,980	17	(1,164)	3,833	9.8%	-	1,160	1,160	-	4,992	-	0	1,141	1,141	-	-	-	49
2025	5,500	10	-	5,510	5,500	14	(1,306)	4,207	9.8%	-	1,303	1,303	-	5,510	-	0	8	8	0	-	0	41
	48,269	2,570	2	50,842	48,269	2,805	(4,675)	46,399		336	4,020	4,356	27	50,783	-				43	43		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 10.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,892	2,446	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,293		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	86	-	86	1,557
2007	963	267	4	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	72	14	1,564
2008	1,046	269	1	1,315	1,046	294	(157)	1,183	10.3%	42	90	132	-	1,315	-	0	398	398	-	14	-	1,528
2009	1,126	278	-	1,404	1,126	295	(117)	1,305	10.3%	42	57	99	-	1,404	-	0	529	529	-	-	-	1,440
2010	1,205	289	-	1,493	1,205	305	(72)	1,439	10.3%	42	13	55	-	1,493	-	0	707	707	-	-	-	1,292
2011	1,284	290	-	1,574	1,284	317	(15)	1,586	10.3%	42	-	42	-	1,628	55	55	902	956	-	-	-	1,100
2012	1,470	274	-	1,744	1,470	319	(40)	1,749	10.3%	42	-	42	2	1,794	49	104	1,100	1,204	-	-	-	885
2013	1,845	243	-	2,088	1,845	301	(218)	1,929	10.3%	42	9	51	4	1,984	(104)	0	1,295	1,295	-	-	-	691
2014	2,316	201	-	2,517	2,316	267	(456)	2,127	10.3%	-	390	390	-	2,517	-	0	1,113	1,113	-	-	-	530
2015	2,558	157	-	2,716	2,558	221	(434)	2,346	10.3%	-	370	370	-	2,716	-	0	941	941	-	-	-	402
2016	2,621	118	-	2,739	2,621	173	(207)	2,587	10.3%	-	152	152	-	2,739	-	0	976	976	-	-	-	307
2017	2,684	87	-	2,771	2,684	130	-	2,814	8.8%	-	-	-	-	2,814	43	43	1,163	1,206	-	-	-	237
2018	2,749	64	-	2,814	2,749	96	-	2,845	1.1%	-	-	-	2	2,847	33	76	1,353	1,429	-	-	-	186
2019	2,816	48	-	2,864	2,816	71	-	2,887	1.5%	-	-	-	3	2,890	26	102	1,549	1,651	-	-	-	149
2020	2,885	37	-	2,922	2,885	52	-	2,938	1.7%	-	-	-	4	2,942	20	122	1,749	1,871	-	-	-	120
2021	2,956	28	-	2,984	2,956	40	-	2,996	2.0%	-	-	-	5	3,001	17	139	1,955	2,093	-	-	-	98
2022	3,265	22	-	3,288	3,265	31	-	3,296	10.0%	-	-	-	6	3,302	14	153	2,166	2,319	-	-	-	81
2023	4,099	18	-	4,117	4,099	25	(489)	3,635	10.3%	-	323	323	6	3,964	(153)	0	2,060	2,060	-	-	-	67
2024	5,146	14	-	5,161	5,146	20	(1,158)	4,008	10.3%	-	1,152	1,152	-	5,161	-	0	1,117	1,117	-	-	-	57
2025	5,686	12	-	5,698	5,686	16	(1,282)	4,420	10.3%	-	1,277	1,277	-	5,698	-	0	10	10	0	-	0	48
	49,666	2,937	5	52,608	49,666	3,208	(4,642)	48,232		336	3,947	4,283	34	52,549	-				86	86		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,976	2,449	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,252		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	128	-	128	1,769
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,250	(6)	0	280	280	-	50	78	1,790
2008	1,054	303	4	1,360	1,054	319	(180)	1,193	11.0%	42	126	168	-	1,360	-	0	345	345	-	73	6	1,751
2009	1,141	314	0	1,456	1,141	333	(150)	1,324	11.0%	42	90	132	-	1,456	-	0	442	442	-	6	-	1,650
2010	1,228	331	-	1,558	1,228	346	(103)	1,471	11.0%	42	46	88	-	1,558	-	0	583	583	-	-	-	1,480
2011	1,314	334	-	1,648	1,314	364	(45)	1,633	11.0%	42	-	42	-	1,675	27	27	772	799	-	-	-	1,257
2012	1,511	314	-	1,825	1,511	367	(65)	1,813	11.0%	42	-	42	1	1,856	32	59	966	1,025	-	-	-	1,011
2013	1,897	278	-	2,175	1,897	345	(229)	2,014	11.0%	42	58	100	2	2,116	(59)	(0)	1,106	1,106	-	-	-	789
2014	2,382	229	-	2,611	2,382	306	(452)	2,236	11.0%	-	375	375	-	2,611	-	(0)	931	931	-	-	-	605
2015	2,632	180	-	2,812	2,632	252	(401)	2,483	11.0%	-	329	329	-	2,812	-	(0)	793	793	-	-	-	459
2016	2,697	135	-	2,831	2,697	198	(137)	2,757	11.0%	-	74	74	-	2,831	-	(0)	900	900	-	-	-	350
2017	2,763	99	-	2,862	2,763	148	-	2,911	5.6%	-	-	-	-	2,911	49	49	1,083	1,133	-	-	-	271
2018	2,832	74	-	2,905	2,832	109	-	2,941	1.0%	-	-	-	2	2,943	37	86	1,271	1,357	-	-	-	213
2019	2,902	54	-	2,956	2,902	81	-	2,983	1.4%	-	-	-	3	2,986	30	116	1,463	1,579	-	-	-	170
2020	2,974	42	-	3,015	2,974	60	-	3,034	1.7%	-	-	-	5	3,038	23	139	1,660	1,799	-	-	-	137
2021	3,047	32	-	3,080	3,047	46	-	3,093	2.0%	-	-	-	6	3,099	19	158	1,862	2,020	-	-	-	112
2022	3,368	26	-	3,394	3,368	35	-	3,404	10.0%	-	-	-	6	3,410	16	175	2,069	2,244	-	-	-	93
2023	4,230	20	-	4,251	4,230	28	(479)	3,779	11.0%	-	290	290	7	4,076	(175)	(0)	1,993	1,993	-	-	-	77
2024	5,313	16	-	5,329	5,313	23	(1,138)	4,197	11.0%	-	1,132	1,132	-	5,329	-	(0)	1,068	1,068	-	-	-	65
2025	5,872	13	-	5,885	5,872	18	(1,230)	4,660	11.0%	-	1,225	1,225	-	5,885	-	(0)	11	11	0	-	0	55
	51,063	3,303	11	54,377	51,063	3,614	(4,609)	50,068		336	3,879	4,215	35	54,318	-				128	128		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,056	2,454	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,213		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	170	-	170	1,977
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	(0)	280	280	-	44	126	2,031
2008	1,062	337	7	1,405	1,062	322	(182)	1,202	11.8%	42	161	203	-	1,405	-	(0)	311	311	-	40	86	1,988
2009	1,157	352	5	1,513	1,157	376	(189)	1,343	11.8%	42	128	170	-	1,513	-	(0)	372	372	-	83	3	1,876
2010	1,251	375	0	1,625	1,251	387	(137)	1,501	11.8%	42	82	124	-	1,625	-	(0)	474	474	-	3	-	1,681
2011	1,344	381	-	1,725	1,344	412	(78)	1,678	11.8%	42	5	47	-	1,725	-	(0)	654	654	-	-	-	1,425
2012	1,551	357	-	1,908	1,551	419	(95)	1,876	11.8%	42	-	42	-	1,918	9	9	843	852	-	-	-	1,146
2013	1,948	316	-	2,264	1,948	393	(245)	2,096	11.8%	42	116	158	0	2,255	(9)	0	920	920	-	-	-	893
2014	2,447	259	-	2,707	2,447	347	(451)	2,343	11.8%	-	363	363	-	2,707	-	0	749	749	-	-	-	684
2015	2,705	204	-	2,909	2,705	285	(371)	2,619	11.8%	-	290	290	-	2,909	-	0	643	643	-	-	-	519
2016	2,773	152	-	2,925	2,773	224	(69)	2,928	11.8%	-	-	-	-	2,928	2	2	818	821	-	-	-	396
2017	2,843	112	-	2,954	2,843	168	-	3,010	2.8%	-	-	-	0	3,010	56	58	998	1,057	-	-	-	307
2018	2,914	83	-	2,997	2,914	123	-	3,037	0.9%	-	-	-	2	3,039	42	100	1,182	1,282	-	-	-	240
2019	2,987	62	-	3,049	2,987	92	-	3,079	1.4%	-	-	-	4	3,083	34	134	1,371	1,505	-	-	-	192
2020	3,062	47	-	3,109	3,062	68	-	3,130	1.7%	-	-	-	5	3,136	26	161	1,564	1,725	-	-	-	155
2021	3,139	36	-	3,176	3,139	52	-	3,191	1.9%	-	-	-	6	3,197	22	182	1,762	1,945	-	-	-	127
2022	3,471	29	-	3,500	3,471	40	-	3,511	10.0%	-	-	-	7	3,518	18	201	1,966	2,166	-	-	-	105
2023	4,361	23	-	4,384	4,361	32	(468)	3,924	11.8%	-	251	251	8	4,184	(201)	-	1,923	1,923	-	-	-	87
2024	5,479	19	-	5,498	5,479	26	(1,118)	4,387	11.8%	-	1,111	1,111	-	5,498	-	(0)	1,017	1,017	-	-	-	73
2025	6,058	15	-	6,073	6,058	21	(1,176)	4,903	11.8%	-	1,170	1,170	-	6,073	-	(0)	12	12	0	-	0	62
	52,460	3,669	20	56,149	52,460	4,023	(4,580)	51,902		336	3,815	4,151	37	56,089	-				170	170		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 12.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,137	2,464	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,180		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	211	-	211	2,185
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	38	174	2,272
2008	1,069	371	9	1,450	1,069	325	(184)	1,210	12.5%	42	197	239	-	1,450	-	(0)	278	278	-	6	167	2,225
2009	1,172	389	9	1,570	1,172	418	(229)	1,361	12.5%	42	167	209	-	1,570	-	(0)	302	302	-	49	119	2,101
2010	1,273	419	6	1,698	1,273	435	(177)	1,531	12.5%	42	125	167	-	1,698	-	(0)	363	363	-	105	14	1,882
2011	1,374	429	1	1,804	1,374	461	(113)	1,722	12.5%	42	39	81	-	1,804	-	(0)	505	505	-	14	-	1,594
2012	1,592	401	-	1,992	1,592	471	(126)	1,937	12.5%	42	13	55	-	1,992	-	(0)	674	674	-	-	-	1,280
2013	2,000	354	-	2,353	2,000	441	(262)	2,179	12.5%	42	133	175	-	2,353	-	(0)	728	728	-	-	-	998
2014	2,513	290	-	2,803	2,513	389	(451)	2,451	12.5%	-	352	352	-	2,803	-	(0)	562	562	-	-	-	764
2015	2,779	228	-	3,006	2,779	319	(341)	2,756	12.5%	-	250	250	-	3,006	-	(0)	488	488	-	-	-	580
2016	2,849	170	-	3,019	2,849	250	-	3,100	12.4%	-	-	-	-	3,100	80	80	657	738	-	-	-	443
2017	2,922	125	-	3,046	2,922	187	-	3,109	0.3%	-	-	-	3	3,112	66	146	831	977	-	-	-	343
2018	2,996	93	-	3,089	2,996	137	-	3,133	0.8%	-	-	-	6	3,139	50	196	1,008	1,204	-	-	-	268
2019	3,072	69	-	3,141	3,072	103	-	3,175	1.3%	-	-	-	8	3,183	41	237	1,189	1,427	-	-	-	214
2020	3,151	52	-	3,203	3,151	76	-	3,227	1.6%	-	-	-	9	3,236	33	270	1,375	1,646	-	-	-	173
2021	3,231	40	-	3,272	3,231	57	-	3,289	1.9%	-	-	-	11	3,300	28	298	1,566	1,864	-	-	-	142
2022	3,574	32	-	3,606	3,574	45	-	3,618	10.0%	-	-	-	12	3,630	24	322	1,762	2,084	-	-	-	117
2023	4,492	26	-	4,518	4,492	36	(457)	4,070	12.5%	-	113	113	13	4,196	(322)	(0)	1,850	1,850	-	-	-	97
2024	5,645	21	-	5,666	5,645	29	(1,096)	4,578	12.5%	-	1,089	1,089	-	5,666	-	(0)	962	962	-	-	-	81
2025	6,244	17	-	6,261	6,244	23	(1,118)	5,149	12.5%	-	1,112	1,112	-	6,261	-	(0)	14	14	0	-	0	69
	53,856	4,034	36	57,927	53,856	4,439	(4,555)	53,740		336	3,727	4,063	65	57,867	-				211	211		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 9.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,781	2,445	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,309		2025 Ending Surplus / (Deficit)		7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	45	-	45	1,352
2007	963	233	2	1,199	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	0	332	332	-	45	-	1,337
2008	983	235	-	1,217	983	256	(64)	1,175	9.6%	42	1	43	-	1,217	-	0	521	521	-	-	-	1,289
2009	1,236	242	-	1,478	1,236	258	(207)	1,287	9.6%	42	149	191	-	1,478	-	0	566	566	-	-	-	1,113
2010	1,265	247	-	1,512	1,265	266	(121)	1,411	9.6%	42	60	102	-	1,512	-	0	698	698	-	-	-	924
2011	1,295	241	-	1,536	1,295	272	(21)	1,546	9.6%	42	-	42	-	1,588	52	52	892	944	-	-	-	734
2012	1,430	214	-	1,644	1,430	265	(0)	1,694	9.6%	42	-	42	2	1,738	94	146	1,090	1,236	-	-	-	561
2013	1,794	171	-	1,964	1,794	236	(173)	1,857	9.6%	42	-	42	6	1,904	(60)	86	1,293	1,379	-	-	-	422
2014	2,251	124	-	2,374	2,251	188	(404)	2,035	9.6%	-	250	250	3	2,288	(86)	0	1,251	1,251	-	-	-	322
2015	2,485	91	-	2,576	2,485	136	(392)	2,230	9.6%	-	347	347	-	2,576	-	0	1,107	1,107	-	-	-	249
2016	2,544	67	-	2,612	2,544	100	(201)	2,443	9.6%	-	168	168	-	2,612	-	0	1,133	1,133	-	-	-	196
2017	2,605	52	-	2,657	2,605	74	(1)	2,678	9.6%	-	-	-	-	2,678	21	21	1,326	1,347	-	-	-	154
2018	2,667	38	-	2,706	2,667	57	-	2,724	1.7%	-	-	-	1	2,725	20	40	1,523	1,563	-	-	-	125
2019	2,731	29	-	2,760	2,731	42	-	2,773	1.8%	-	-	-	2	2,775	15	55	1,725	1,780	-	-	-	102
2020	2,797	24	-	2,820	2,797	32	-	2,829	2.0%	-	-	-	2	2,831	11	66	1,932	1,998	-	-	-	84
2021	2,864	18	-	2,882	2,864	26	-	2,889	2.2%	-	-	-	3	2,892	10	76	2,145	2,221	-	-	-	70
2022	3,162	15	-	3,177	3,162	20	(16)	3,167	9.6%	-	-	-	3	3,170	(8)	68	2,364	2,432	-	-	-	59
2023	3,968	12	-	3,981	3,968	16	(515)	3,470	9.6%	-	440	440	3	3,913	(68)	0	2,149	2,149	-	-	-	49
2024	4,980	10	-	4,990	4,980	14	(1,191)	3,803	9.6%	-	1,187	1,187	-	4,990	-	0	1,175	1,175	-	-	-	41
2025	5,500	8	-	5,508	5,500	11	(1,344)	4,168	9.6%	-	1,341	1,341	-	5,508	-	0	7	7	-	-	-	35
	48,464	2,295	2	50,762	48,464	2,504	(4,650)	46,318		336	4,021	4,357	27	50,703	-				45	45		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 10.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,863	2,446	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,261		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	88	-	88	1,568
2007	963	267	5	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	76	11	1,551
2008	983	269	1	1,252	983	294	(92)	1,184	10.4%	42	26	68	-	1,252	-	0	462	462	-	11	-	1,497
2009	1,269	278	-	1,548	1,269	296	(258)	1,307	10.4%	42	199	241	-	1,548	-	0	454	454	-	-	-	1,295
2010	1,300	287	-	1,587	1,300	306	(164)	1,442	10.4%	42	103	145	-	1,587	-	0	538	538	-	-	-	1,075
2011	1,331	281	-	1,612	1,331	316	(56)	1,591	10.4%	42	-	42	-	1,633	21	21	726	747	-	-	-	853
2012	1,470	249	-	1,720	1,470	309	(23)	1,756	10.4%	42	-	42	1	1,799	79	100	918	1,018	-	-	-	652
2013	1,845	199	-	2,044	1,845	274	(182)	1,938	10.4%	42	-	42	4	1,984	(60)	41	1,114	1,154	-	-	-	491
2014	2,316	144	-	2,460	2,316	218	(396)	2,139	10.4%	-	279	279	2	2,419	(41)	(0)	1,036	1,036	-	-	-	375
2015	2,558	106	-	2,665	2,558	158	(356)	2,360	10.4%	-	305	305	-	2,665	-	(0)	926	926	-	-	-	290
2016	2,621	78	-	2,699	2,621	117	(133)	2,605	10.4%	-	94	94	-	2,699	-	(0)	1,018	1,018	-	-	-	227
2017	2,684	60	-	2,744	2,684	86	-	2,770	6.4%	-	-	-	-	2,770	26	26	1,206	1,232	-	-	-	180
2018	2,749	45	-	2,794	2,749	66	-	2,816	1.6%	-	-	-	1	2,817	23	49	1,399	1,447	-	-	-	145
2019	2,816	34	-	2,850	2,816	49	-	2,866	1.8%	-	-	-	2	2,868	17	66	1,596	1,662	-	-	-	118
2020	2,885	27	-	2,912	2,885	37	-	2,922	2.0%	-	-	-	3	2,925	13	79	1,798	1,877	-	-	-	97
2021	2,956	21	-	2,977	2,956	30	-	2,985	2.2%	-	-	-	3	2,989	12	90	2,006	2,096	-	-	-	81
2022	3,265	17	-	3,283	3,265	23	-	3,289	10.2%	-	-	-	4	3,292	10	100	2,219	2,319	-	-	-	68
2023	4,099	15	-	4,114	4,099	19	(489)	3,629	10.4%	-	381	381	4	4,014	(100)	0	2,057	2,057	-	-	-	57
2024	5,146	12	-	5,158	5,146	16	(1,157)	4,005	10.4%	-	1,153	1,153	-	5,158	-	0	1,114	1,114	-	-	-	48
2025	5,686	10	-	5,696	5,686	13	(1,279)	4,420	10.4%	-	1,276	1,276	-	5,696	-	0	8	8	0	-	0	41
	49,889	2,622	5	52,516	49,889	2,864	(4,586)	48,167		336	3,929	4,265	25	52,457	-				88	88		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,943	2,449	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,216		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	130	-	130	1,781
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,251	(6)	0	280	280	-	55	75	1,776
2008	983	303	4	1,289	983	319	(108)	1,194	11.1%	42	54	96	-	1,289	-	0	416	416	-	75	-	1,716
2009	1,303	315	-	1,618	1,303	333	(309)	1,327	11.1%	42	249	291	-	1,618	-	0	357	357	-	-	-	1,488
2010	1,335	329	-	1,664	1,335	347	(207)	1,474	11.1%	42	148	190	-	1,664	-	0	393	393	-	-	-	1,236
2011	1,367	324	-	1,691	1,367	362	(91)	1,638	11.1%	42	11	53	-	1,691	-	0	564	564	-	-	-	980
2012	1,511	286	-	1,797	1,511	356	(46)	1,821	11.1%	42	-	42	-	1,863	66	66	749	815	-	-	-	749
2013	1,897	228	-	2,125	1,897	315	(188)	2,024	11.1%	42	-	42	3	2,068	(57)	9	938	947	-	-	-	564
2014	2,382	165	-	2,547	2,382	251	(384)	2,249	11.1%	-	288	288	0	2,538	(9)	0	844	844	-	-	-	431
2015	2,632	123	-	2,754	2,632	181	(314)	2,500	11.1%	-	255	255	-	2,754	-	0	776	776	-	-	-	332
2016	2,697	90	-	2,787	2,697	135	(54)	2,778	11.1%	-	9	9	-	2,787	-	0	948	948	-	-	-	261
2017	2,763	69	-	2,832	2,763	99	-	2,862	3.0%	-	-	-	-	2,862	30	30	1,133	1,163	-	-	-	206
2018	2,832	52	-	2,883	2,832	76	-	2,908	1.6%	-	-	-	1	2,909	25	56	1,322	1,378	-	-	-	166
2019	2,902	39	-	2,941	2,902	57	-	2,959	1.8%	-	-	-	2	2,961	20	76	1,517	1,592	-	-	-	136
2020	2,974	31	-	3,005	2,974	43	-	3,017	2.0%	-	-	-	3	3,020	15	90	1,716	1,806	-	-	-	112
2021	3,047	24	-	3,072	3,047	34	-	3,082	2.2%	-	-	-	4	3,085	13	104	1,920	2,024	-	-	-	93
2022	3,368	20	-	3,388	3,368	27	-	3,395	10.2%	-	-	-	4	3,399	11	115	2,130	2,244	-	-	-	78
2023	4,230	17	-	4,247	4,230	22	(479)	3,773	11.1%	-	354	354	5	4,132	(115)	0	1,991	1,991	-	-	-	65
2024	5,313	14	-	5,327	5,313	18	(1,138)	4,193	11.1%	-	1,133	1,133	-	5,327	-	0	1,065	1,065	-	-	-	55
2025	5,872	11	-	5,883	5,872	15	(1,227)	4,660	11.1%	-	1,223	1,223	-	5,883	-	0	9	9	0	-	0	46
	51,313	2,949	11	54,274	51,313	3,227	(4,545)	49,995		336	3,859	4,195	24	54,214	-				130	130		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,020	2,455	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,173		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	172	-	172	1,990
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	(0)	280	280	-	50	123	2,015
2008	983	337	6	1,326	983	322	(101)	1,203	11.9%	42	81	123	-	1,326	-	(0)	391	391	-	123	-	1,950
2009	1,336	353	-	1,689	1,336	371	(361)	1,346	11.9%	42	301	343	-	1,689	-	(0)	279	279	60	-	60	1,695
2010	1,369	373	3	1,746	1,369	391	(254)	1,506	11.9%	42	198	240	-	1,746	-	(0)	265	265	-	42	17	1,411
2011	1,403	370	1	1,775	1,403	412	(130)	1,686	11.9%	42	47	89	-	1,775	-	(0)	395	395	-	17	-	1,118
2012	1,551	327	-	1,878	1,551	407	(72)	1,886	11.9%	42	-	42	-	1,928	50	50	574	624	-	-	-	854
2013	1,948	260	-	2,209	1,948	359	(197)	2,111	11.9%	42	4	46	2	2,158	(50)	0	752	752	-	-	-	643
2014	2,447	188	-	2,635	2,447	286	(372)	2,362	11.9%	-	274	274	-	2,635	-	0	665	665	-	-	-	491
2015	2,705	140	-	2,845	2,705	207	(269)	2,643	11.9%	-	203	203	-	2,845	-	0	642	642	-	-	-	379
2016	2,773	103	-	2,876	2,773	154	-	2,927	10.8%	-	-	-	-	2,927	51	51	818	869	-	-	-	297
2017	2,843	78	-	2,921	2,843	113	-	2,956	1.0%	-	-	-	2	2,958	37	88	998	1,086	-	-	-	235
2018	2,914	59	-	2,973	2,914	86	-	3,000	1.5%	-	-	-	4	3,004	31	119	1,182	1,301	-	-	-	188
2019	2,987	44	-	3,032	2,987	65	-	3,052	1.7%	-	-	-	5	3,057	25	144	1,371	1,515	-	-	-	154
2020	3,062	35	-	3,098	3,062	49	-	3,111	1.9%	-	-	-	6	3,117	19	163	1,564	1,727	-	-	-	127
2021	3,139	28	-	3,167	3,139	39	-	3,178	2.2%	-	-	-	7	3,185	18	181	1,762	1,943	-	-	-	106
2022	3,471	23	-	3,494	3,471	30	-	3,501	10.2%	-	-	-	7	3,509	15	196	1,965	2,161	-	-	-	89
2023	4,361	19	-	4,380	4,361	25	(468)	3,918	11.9%	-	258	258	8	4,184	(196)	0	1,916	1,916	-	-	-	74
2024	5,479	16	-	5,495	5,479	21	(1,116)	4,384	11.9%	-	1,111	1,111	-	5,495	-	0	1,010	1,010	-	-	-	62
2025	6,058	13	-	6,071	6,058	18	(1,170)	4,906	11.9%	-	1,165	1,165	-	6,071	-	0	10	10	0	-	0	52
	52,738	3,276	20	56,033	52,738	3,592	(4,510)	51,820		336	3,775	4,111	42	55,974	-				232	232		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 12.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,099	2,469	59	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,143		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	214	-	214	2,199
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	44	170	2,254
2008	983	372	9	1,363	983	325	(94)	1,213	12.7%	42	108	150	-	1,363	-	(0)	367	367	-	100	70	2,183
2009	1,370	390	4	1,763	1,370	413	(416)	1,367	12.7%	42	354	396	-	1,763	-	(0)	203	203	108	-	178	1,902
2010	1,404	417	9	1,830	1,404	439	(303)	1,540	12.7%	42	248	290	-	1,830	-	(0)	139	139	0	-	178	1,585
2011	1,439	416	9	1,865	1,439	469	(173)	1,735	12.7%	42	88	130	-	1,865	-	(0)	230	230	-	157	21	1,256
2012	1,592	367	1	1,960	1,592	459	(95)	1,956	12.7%	42	-	42	-	1,998	38	38	403	441	-	21	-	960
2013	2,000	293	-	2,292	2,000	404	(199)	2,204	12.7%	42	7	49	2	2,254	(38)	0	571	571	-	-	-	722
2014	2,513	211	-	2,724	2,513	322	(351)	2,484	12.7%	-	240	240	-	2,724	-	0	510	510	-	-	-	552
2015	2,779	158	-	2,936	2,779	232	(212)	2,799	12.7%	-	137	137	-	2,936	-	0	547	547	-	-	-	425
2016	2,849	116	-	2,965	2,849	173	-	3,023	8.0%	-	-	-	-	3,023	58	58	718	776	-	-	-	333
2017	2,922	88	-	3,010	2,922	127	-	3,049	0.9%	-	-	-	2	3,051	42	99	894	994	-	-	-	263
2018	2,996	66	-	3,063	2,996	97	-	3,093	1.4%	-	-	-	4	3,097	34	134	1,074	1,208	-	-	-	211
2019	3,072	50	-	3,123	3,072	73	-	3,146	1.7%	-	-	-	5	3,151	28	162	1,258	1,420	-	-	-	172
2020	3,151	39	-	3,190	3,151	55	-	3,206	1.9%	-	-	-	6	3,212	22	184	1,447	1,631	-	-	-	142
2021	3,231	31	-	3,262	3,231	43	-	3,275	2.1%	-	-	-	7	3,282	20	204	1,641	1,845	-	-	-	119
2022	3,574	25	-	3,599	3,574	34	-	3,608	10.2%	-	-	-	8	3,616	17	221	1,839	2,060	-	-	-	99
2023	4,492	22	-	4,513	4,492	28	(454)	4,066	12.7%	-	218	218	9	4,293	(221)	(0)	1,825	1,825	-	-	-	83
2024	5,645	18	-	5,663	5,645	24	(1,087)	4,582	12.7%	-	1,082	1,082	-	5,663	-	(0)	944	944	-	-	-	69
2025	6,244	14	-	6,259	6,244	20	(1,101)	5,163	12.7%	-	1,095	1,095	-	6,259	-	(0)	12	12	0	-	0	59
	54,163	3,602	44	57,808	54,163	3,974	(4,486)	53,651		336	3,715	4,051	47	57,749	-				322	322		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 10.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,817	2,444	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,349		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	43	-	43	1,344
2007	963	233	2	1,198	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	(0)	332	332	-	43	-	1,362
2008	1,038	235	-	1,273	1,038	256	(112)	1,182	10.3%	42	48	90	-	1,273	-	(0)	473	473	-	-	-	1,341
2009	1,059	242	-	1,302	1,059	258	(14)	1,304	10.3%	42	-	42	-	1,346	45	45	665	709	-	-	-	1,305
2010	1,182	251	-	1,433	1,182	266	(10)	1,439	10.3%	42	-	42	2	1,482	50	94	861	955	-	-	-	1,188
2011	1,208	254	-	1,463	1,208	276	-	1,484	3.2%	42	-	42	4	1,530	67	161	1,061	1,223	-	-	-	1,050
2012	1,430	247	-	1,677	1,430	280	(73)	1,637	10.3%	42	-	42	6	1,685	8	170	1,267	1,436	-	-	-	859
2013	1,794	227	-	2,021	1,794	272	(260)	1,806	10.3%	42	-	42	7	1,855	(166)	3	1,477	1,480	-	-	-	679
2014	2,251	195	-	2,445	2,251	250	(508)	1,992	10.3%	-	450	450	0	2,442	(3)	0	1,242	1,242	-	-	-	523
2015	2,485	156	-	2,641	2,485	214	(502)	2,197	10.3%	-	444	444	0	2,641	-	0	1,001	1,001	-	-	-	397
2016	2,544	119	-	2,664	2,544	171	(292)	2,424	10.3%	-	240	240	0	2,664	-	0	952	952	-	-	-	300
2017	2,605	87	-	2,692	2,605	131	(63)	2,674	10.3%	-	18	18	0	2,692	-	0	1,119	1,119	-	-	-	230
2018	2,667	64	-	2,731	2,667	95	-	2,763	3.3%	-	-	-	0	2,763	31	31	1,307	1,339	-	-	-	179
2019	2,731	47	-	2,778	2,731	71	-	2,802	1.4%	-	-	-	1	2,803	25	56	1,501	1,557	-	-	-	142
2020	2,797	36	-	2,832	2,797	52	-	2,848	1.7%	-	-	-	2	2,850	18	74	1,700	1,774	-	-	-	114
2021	2,864	28	-	2,891	2,864	40	-	2,903	1.9%	-	-	-	3	2,906	15	89	1,903	1,992	-	-	-	92
2022	3,162	21	-	3,184	3,162	30	-	3,193	10.0%	-	-	-	4	3,196	13	102	2,112	2,214	-	-	-	76
2023	3,968	17	-	3,985	3,968	23	(470)	3,522	10.3%	-	358	358	4	3,884	(102)	0	1,969	1,969	-	-	-	63
2024	4,980	13	-	4,993	4,980	19	(1,114)	3,885	10.3%	-	1,109	1,109	-	4,993	-	0	1,067	1,067	-	-	-	53
2025	5,500	11	-	5,511	5,500	15	(1,229)	4,285	10.3%	-	1,226	1,226	-	5,511	-	0	9	9	0	-	0	44
	48,173	2,705	2	50,881	48,173	2,952	(4,646)	46,479		336	3,971	4,307	36	50,821	-				43	43		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 10.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,905	2,445	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,307		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	86	-	86	1,559
2007	963	267	5	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	(0)	299	299	-	69	17	1,579
2008	1,046	269	1	1,315	1,046	294	(152)	1,188	10.7%	42	86	128	-	1,315	-	(0)	402	402	-	17	-	1,557
2009	1,068	278	-	1,346	1,068	296	(49)	1,314	10.7%	42	-	42	-	1,356	10	10	591	601	-	-	-	1,514
2010	1,205	291	-	1,496	1,205	306	(56)	1,455	10.7%	42	-	42	0	1,497	1	12	784	796	-	-	-	1,378
2011	1,232	297	-	1,529	1,232	320	-	1,552	6.7%	42	-	42	0	1,595	66	78	981	1,059	-	-	-	1,215
2012	1,470	287	-	1,757	1,470	326	(78)	1,718	10.7%	42	-	42	3	1,763	6	84	1,183	1,267	-	-	-	993
2013	1,845	263	-	2,108	1,845	316	(259)	1,902	10.7%	42	77	119	3	2,024	(84)	(0)	1,313	1,313	-	-	-	785
2014	2,316	225	-	2,541	2,316	289	(500)	2,105	10.7%	-	436	436	-	2,541	-	(0)	1,086	1,086	-	-	-	604
2015	2,558	180	-	2,739	2,558	247	(475)	2,330	10.7%	-	408	408	-	2,739	-	(0)	874	874	-	-	-	458
2016	2,621	138	-	2,758	2,621	198	(239)	2,579	10.7%	-	179	179	-	2,758	-	(0)	881	881	-	-	-	346
2017	2,684	100	-	2,784	2,684	152	-	2,836	9.9%	-	-	-	-	2,836	52	52	1,063	1,114	-	-	-	266
2018	2,749	74	-	2,824	2,749	110	-	2,859	0.8%	-	-	-	2	2,862	38	89	1,249	1,339	-	-	-	207
2019	2,816	54	-	2,871	2,816	82	-	2,898	1.4%	-	-	-	4	2,902	31	121	1,441	1,561	-	-	-	164
2020	2,885	41	-	2,926	2,885	60	-	2,945	1.6%	-	-	-	5	2,949	23	144	1,637	1,780	-	-	-	131
2021	2,956	32	-	2,987	2,956	46	-	3,001	1.9%	-	-	-	6	3,007	19	163	1,838	2,001	-	-	-	107
2022	3,265	25	-	3,290	3,265	35	-	3,300	10.0%	-	-	-	7	3,307	17	180	2,044	2,224	-	-	-	88
2023	4,099	20	-	4,119	4,099	27	(473)	3,653	10.7%	-	279	279	7	3,939	(180)	(0)	1,977	1,977	-	-	-	73
2024	5,146	16	-	5,162	5,146	22	(1,125)	4,043	10.7%	-	1,119	1,119	-	5,162	-	(0)	1,066	1,066	-	-	-	61
2025	5,686	13	-	5,698	5,686	17	(1,228)	4,475	10.7%	-	1,223	1,223	-	5,698	-	(0)	10	10	0	-	0	51
	49,556	3,091	5	52,652	49,556	3,376	(4,635)	48,297		336	3,920	4,256	40	52,593	-				86	86		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,990	2,449	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,268		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	128	-	128	1,771
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,250	(6)	0	280	280	-	47	82	1,808
2008	1,054	303	4	1,361	1,054	320	(180)	1,193	11.1%	42	126	168	-	1,361	-	0	345	345	-	70	12	1,783
2009	1,076	315	1	1,392	1,076	334	(84)	1,326	11.1%	42	24	66	-	1,392	-	0	508	508	-	12	-	1,734
2010	1,228	334	-	1,561	1,228	347	(102)	1,473	11.1%	42	46	88	-	1,561	-	0	651	651	-	-	-	1,576
2011	1,256	342	-	1,597	1,256	367	-	1,623	10.2%	42	-	42	-	1,665	67	67	843	911	-	-	-	1,387
2012	1,511	329	-	1,839	1,511	376	(84)	1,803	11.1%	42	-	42	3	1,848	8	75	1,040	1,115	-	-	-	1,133
2013	1,897	301	-	2,198	1,897	362	(255)	2,003	11.1%	42	74	116	3	2,122	(75)	0	1,167	1,167	-	-	-	894
2014	2,382	256	-	2,638	2,382	331	(487)	2,225	11.1%	-	412	412	-	2,638	-	0	957	957	-	-	-	688
2015	2,632	206	-	2,837	2,632	282	(441)	2,473	11.1%	-	365	365	-	2,837	-	0	784	784	-	-	-	522
2016	2,697	157	-	2,854	2,697	226	(176)	2,747	11.1%	-	107	107	-	2,854	-	0	859	859	-	-	-	395
2017	2,763	114	-	2,877	2,763	173	-	2,936	6.9%	-	-	-	-	2,936	59	59	1,040	1,099	-	-	-	303
2018	2,832	85	-	2,916	2,832	125	-	2,957	0.7%	-	-	-	2	2,959	43	102	1,226	1,328	-	-	-	235
2019	2,902	62	-	2,964	2,902	93	-	2,995	1.3%	-	-	-	4	2,999	36	137	1,416	1,554	-	-	-	187
2020	2,974	47	-	3,021	2,974	68	-	3,042	1.6%	-	-	-	5	3,047	26	164	1,611	1,775	-	-	-	150
2021	3,047	36	-	3,084	3,047	52	-	3,099	1.9%	-	-	-	7	3,106	22	186	1,812	1,997	-	-	-	122
2022	3,368	28	-	3,396	3,368	40	-	3,408	10.0%	-	-	-	7	3,415	19	205	2,017	2,222	-	-	-	100
2023	4,230	22	-	4,253	4,230	31	(475)	3,786	11.1%	-	253	253	8	4,048	(205)	0	1,974	1,974	-	-	-	83
2024	5,313	18	-	5,331	5,313	25	(1,131)	4,207	11.1%	-	1,124	1,124	-	5,331	-	0	1,057	1,057	-	-	-	69
2025	5,872	14	-	5,886	5,872	20	(1,218)	4,674	11.1%	-	1,213	1,213	-	5,886	-	0	12	12	0	-	0	58
	50,939	3,476	12	54,427	50,939	3,804	(4,632)	50,111		336	3,878	4,214	42	54,368	-				128	128		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 11.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,072	2,454	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,232		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	170	-	170	1,979
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	0	280	280	-	40	130	2,050
2008	1,062	337	7	1,405	1,062	322	(183)	1,201	11.7%	42	162	204	-	1,405	-	0	311	311	-	36	94	2,024
2009	1,084	353	5	1,442	1,084	376	(118)	1,342	11.7%	42	58	100	-	1,442	-	0	442	442	-	94	-	1,969
2010	1,251	378	-	1,629	1,251	388	(140)	1,499	11.7%	42	87	129	-	1,629	-	0	541	541	-	-	-	1,788
2011	1,280	390	-	1,669	1,280	416	(20)	1,675	11.7%	42	-	42	-	1,717	48	48	729	777	-	-	-	1,570
2012	1,551	374	-	1,925	1,551	429	(109)	1,871	11.7%	42	-	42	2	1,915	(10)	38	921	959	-	-	-	1,280
2013	1,948	341	-	2,289	1,948	411	(269)	2,091	11.7%	42	117	159	2	2,251	(38)	0	1,000	1,000	-	-	-	1,010
2014	2,447	289	-	2,737	2,447	375	(486)	2,336	11.7%	-	401	401	-	2,737	-	0	796	796	-	-	-	777
2015	2,705	232	-	2,937	2,705	318	(414)	2,610	11.7%	-	328	328	-	2,937	-	0	653	653	-	-	-	589
2016	2,773	177	-	2,950	2,773	255	(113)	2,916	11.7%	-	34	34	-	2,950	-	0	795	795	-	-	-	446
2017	2,843	128	-	2,971	2,843	195	-	3,037	4.2%	-	-	-	-	3,037	67	67	973	1,040	-	-	-	343
2018	2,914	96	-	3,010	2,914	141	-	3,055	0.6%	-	-	-	3	3,058	48	114	1,157	1,271	-	-	-	266
2019	2,987	70	-	3,057	2,987	106	-	3,093	1.2%	-	-	-	5	3,097	40	155	1,344	1,499	-	-	-	211
2020	3,062	53	-	3,115	3,062	77	-	3,139	1.5%	-	-	-	6	3,145	30	185	1,536	1,721	-	-	-	169
2021	3,139	41	-	3,180	3,139	58	-	3,198	1.9%	-	-	-	7	3,205	25	210	1,733	1,943	-	-	-	138
2022	3,471	32	-	3,503	3,471	45	-	3,516	9.9%	-	-	-	8	3,524	21	231	1,936	2,167	-	-	-	113
2023	4,361	26	-	4,386	4,361	35	(468)	3,928	11.7%	-	218	218	9	4,155	(231)	-	1,925	1,925	-	-	-	94
2024	5,479	20	-	5,499	5,479	28	(1,119)	4,388	11.7%	-	1,111	1,111	-	5,499	-	(0)	1,019	1,019	-	-	-	78
2025	6,058	16	-	6,074	6,058	22	(1,177)	4,903	11.7%	-	1,171	1,171	-	6,074	-	(0)	13	13	0	-	0	66
	52,322	3,861	21	56,204	52,322	4,234	(4,616)	51,940		336	3,824	4,160	44	56,145	-				170	170		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 12.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,155	2,462	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,198		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	212	-	212	2,187
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	34	178	2,293
2008	1,069	371	9	1,450	1,069	325	(185)	1,210	12.4%	42	198	240	-	1,450	-	(0)	277	277	-	2	176	2,264
2009	1,092	390	9	1,492	1,092	419	(151)	1,360	12.4%	42	90	132	-	1,492	-	(0)	378	378	-	113	62	2,204
2010	1,273	422	3	1,699	1,273	433	(177)	1,529	12.4%	42	128	170	-	1,699	-	(0)	437	437	-	62	-	2,000
2011	1,303	438	-	1,741	1,303	464	(49)	1,719	12.4%	42	-	42	-	1,761	20	20	621	641	-	-	-	1,753
2012	1,592	419	-	2,010	1,592	482	(141)	1,932	12.4%	42	16	58	1	1,991	(20)	(0)	793	793	-	-	-	1,428
2013	2,000	381	-	2,381	2,000	461	(288)	2,172	12.4%	42	167	209	-	2,381	-	(0)	818	818	-	-	-	1,126
2014	2,513	323	-	2,835	2,513	419	(490)	2,442	12.4%	-	393	393	-	2,835	-	(0)	613	613	-	-	-	866
2015	2,779	259	-	3,038	2,779	355	(388)	2,745	12.4%	-	292	292	-	3,038	-	(0)	499	499	-	-	-	657
2016	2,849	197	-	3,047	2,849	285	(48)	3,086	12.4%	-	-	-	-	3,086	40	40	669	709	-	-	-	497
2017	2,922	143	-	3,064	2,922	217	-	3,139	1.7%	-	-	-	2	3,140	76	116	843	959	-	-	-	382
2018	2,996	107	-	3,103	2,996	157	-	3,153	0.5%	-	-	-	5	3,158	55	170	1,020	1,191	-	-	-	296
2019	3,072	78	-	3,150	3,072	118	-	3,190	1.2%	-	-	-	7	3,197	47	217	1,203	1,420	-	-	-	235
2020	3,151	59	-	3,210	3,151	86	-	3,237	1.5%	-	-	-	9	3,245	36	253	1,389	1,642	-	-	-	189
2021	3,231	45	-	3,277	3,231	65	-	3,296	1.8%	-	-	-	10	3,306	30	282	1,580	1,863	-	-	-	154
2022	3,574	35	-	3,609	3,574	50	-	3,624	9.9%	-	-	-	11	3,635	26	308	1,776	2,084	-	-	-	126
2023	4,492	29	-	4,520	4,492	39	(457)	4,074	12.4%	-	126	126	12	4,212	(308)	0	1,851	1,851	-	-	-	104
2024	5,645	23	-	5,668	5,645	31	(1,097)	4,580	12.4%	-	1,088	1,088	-	5,668	-	0	965	965	-	-	-	87
2025	6,244	18	-	6,262	6,244	25	(1,120)	5,149	12.4%	-	1,114	1,114	-	6,262	-	0	15	15	0	-	0	73
	53,705	4,246	33	57,984	53,705	4,667	(4,591)	53,781		336	3,749	4,085	59	57,925	-				212	212		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 13.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,797	2,444	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,327		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	39	-	39	1,325
2007	963	233	2	1,198	963	108	-	1,072	0.2%	42	79	121	0	1,192	(6)	0	332	332	-	39	-	1,311
2008	1,110	234	-	1,343	1,110	256	(149)	1,217	13.5%	42	85	127	-	1,343	-	0	437	437	-	-	-	1,241
2009	1,134	238	-	1,372	1,134	257	(144)	1,247	2.5%	42	84	126	-	1,372	-	0	544	544	-	-	-	1,144
2010	1,159	240	-	1,399	1,159	262	(147)	1,274	2.2%	42	83	125	-	1,399	-	0	651	651	-	-	-	1,027
2011	1,295	234	-	1,529	1,295	264	(148)	1,411	10.8%	42	76	118	-	1,529	-	0	768	768	-	-	-	847
2012	1,430	216	-	1,646	1,430	257	(144)	1,543	9.3%	42	61	103	-	1,646	-	0	900	900	-	-	-	678
2013	1,794	188	-	1,982	1,794	237	(280)	1,751	13.5%	42	188	230	-	1,982	-	0	907	907	-	-	-	527
2014	2,251	155	-	2,406	2,251	207	(469)	1,988	13.5%	-	418	418	-	2,406	-	0	682	682	-	-	-	402
2015	2,485	119	-	2,604	2,485	171	(399)	2,257	13.5%	-	347	347	-	2,604	-	0	516	516	-	-	-	306
2016	2,544	88	-	2,632	2,544	131	(112)	2,563	13.5%	-	69	69	-	2,632	-	0	617	617	-	-	-	235
2017	2,605	65	-	2,670	2,605	96	(54)	2,647	3.3%	-	23	23	-	2,670	-	0	766	766	-	-	-	183
2018	2,667	48	-	2,715	2,667	72	(40)	2,699	1.9%	-	17	17	-	2,715	-	0	925	925	-	-	-	145
2019	2,731	37	-	2,768	2,731	53	(30)	2,754	2.1%	-	13	13	-	2,768	-	0	1,089	1,089	-	-	-	117
2020	2,797	28	-	2,824	2,797	40	(23)	2,814	2.2%	-	10	10	-	2,824	-	0	1,261	1,261	-	-	-	95
2021	2,864	22	-	2,885	2,864	31	(17)	2,877	2.2%	-	8	8	-	2,885	-	0	1,439	1,439	-	-	-	78
2022	3,162	18	-	3,180	3,162	24	(14)	3,173	10.3%	-	7	7	-	3,180	-	0	1,622	1,622	-	-	-	65
2023	3,968	14	-	3,982	3,968	20	(386)	3,602	13.5%	-	380	380	-	3,982	-	0	1,437	1,437	-	-	-	54
2024	4,980	11	-	4,991	4,980	15	(906)	4,089	13.5%	-	902	902	-	4,991	-	0	720	720	-	-	-	46
2025	5,500	9	-	5,509	5,500	12	(869)	4,643	13.5%	-	866	866	-	5,509	-	0	8	8	0	-	0	39
	48,383	2,419	2	50,804	48,383	2,639	(4,332)	46,690		336	3,716	4,052	3	50,745	-				39	39		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 14.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,882	2,445	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,281		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	82	-	82	1,537
2007	963	267	4	1,234	963	109	-	1,073	0.3%	42	113	155	0	1,228	(6)	(0)	299	299	-	76	6	1,522
2008	1,128	268	0	1,396	1,128	294	(193)	1,228	14.5%	42	126	168	-	1,396	-	(0)	362	362	-	6	-	1,442
2009	1,153	274	-	1,427	1,153	294	(165)	1,282	4.4%	42	103	145	-	1,427	-	(0)	446	446	-	-	-	1,331
2010	1,178	279	-	1,458	1,178	302	(169)	1,311	2.2%	42	105	147	-	1,458	-	(0)	528	528	-	-	-	1,193
2011	1,331	273	-	1,604	1,331	307	(173)	1,466	11.9%	42	96	138	-	1,604	-	(0)	619	619	-	-	-	983
2012	1,470	251	-	1,721	1,470	301	(169)	1,602	9.3%	42	77	119	-	1,721	-	(0)	729	729	-	-	-	786
2013	1,845	218	-	2,064	1,845	276	(287)	1,834	14.5%	42	188	230	-	2,064	-	(0)	730	730	-	-	-	611
2014	2,316	180	-	2,496	2,316	240	(457)	2,099	14.5%	-	397	397	-	2,496	-	(0)	519	519	-	-	-	466
2015	2,558	138	-	2,697	2,558	198	(353)	2,403	14.5%	-	294	294	-	2,697	-	(0)	399	399	-	-	-	354
2016	2,621	102	-	2,722	2,621	152	(85)	2,687	11.8%	-	35	35	-	2,722	-	(0)	530	530	-	-	-	273
2017	2,684	75	-	2,760	2,684	112	(63)	2,733	1.7%	-	26	26	-	2,760	-	(0)	672	672	-	-	-	213
2018	2,749	56	-	2,805	2,749	83	(47)	2,786	1.9%	-	19	19	-	2,805	-	(0)	824	824	-	-	-	168
2019	2,816	42	-	2,859	2,816	61	(34)	2,843	2.1%	-	16	16	-	2,859	-	(0)	982	982	-	-	-	135
2020	2,885	32	-	2,917	2,885	47	(26)	2,906	2.2%	-	12	12	-	2,917	-	(0)	1,148	1,148	-	-	-	110
2021	2,956	25	-	2,981	2,956	35	(20)	2,971	2.3%	-	10	10	-	2,981	-	(0)	1,320	1,320	-	-	-	91
2022	3,265	21	-	3,286	3,265	28	(16)	3,277	10.3%	-	8	8	-	3,286	-	(0)	1,497	1,497	-	-	-	75
2023	4,099	16	-	4,115	4,099	23	(370)	3,752	14.5%	-	364	364	-	4,115	-	(0)	1,324	1,324	-	-	-	63
2024	5,146	13	-	5,159	5,146	18	(870)	4,294	14.5%	-	865	865	-	5,159	-	(0)	639	639	-	-	-	53
2025	5,686	11	-	5,697	5,686	14	(785)	4,916	14.5%	-	781	781	-	5,697	-	(0)	9	9	0	-	0	45
	49,796	2,764	5	52,564	49,796	3,018	(4,282)	48,531		336	3,635	3,971	3	52,505	-				82	82		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 15.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,965	2,450	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,240		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	123	-	123	1,746
2007	963	286	6	1,256	963	111	-	1,074	0.4%	42	134	176	0	1,250	(6)	(0)	280	280	-	54	69	1,743
2008	1,146	302	4	1,451	1,146	319	(225)	1,239	15.4%	42	170	212	-	1,451	-	(0)	300	300	-	39	30	1,653
2009	1,171	311	2	1,484	1,171	333	(187)	1,318	6.3%	42	124	166	-	1,484	-	(0)	363	363	-	30	-	1,528
2010	1,198	320	-	1,518	1,198	342	(192)	1,348	2.3%	42	129	171	-	1,518	-	(0)	418	418	-	-	-	1,369
2011	1,367	315	-	1,682	1,367	352	(198)	1,522	12.9%	42	119	161	-	1,682	-	(0)	482	482	-	-	-	1,126
2012	1,511	288	-	1,799	1,511	347	(195)	1,663	9.3%	42	94	136	-	1,799	-	(0)	570	570	-	-	-	899
2013	1,897	250	-	2,147	1,897	317	(295)	1,919	15.4%	42	186	228	-	2,147	-	(0)	566	566	-	-	-	699
2014	2,382	206	-	2,587	2,382	275	(442)	2,215	15.4%	-	372	372	-	2,587	-	(0)	373	373	-	-	-	533
2015	2,632	158	-	2,790	2,632	226	(301)	2,556	15.4%	-	234	234	-	2,790	-	(0)	307	307	-	-	-	405
2016	2,697	116	-	2,813	2,697	174	(98)	2,773	8.5%	-	40	40	-	2,813	-	(0)	430	430	-	-	-	312
2017	2,763	86	-	2,849	2,763	128	(72)	2,819	1.7%	-	30	30	-	2,849	-	(0)	564	564	-	-	-	243
2018	2,832	64	-	2,896	2,832	95	(53)	2,873	1.9%	-	22	22	-	2,896	-	(0)	708	708	-	-	-	193
2019	2,902	49	-	2,950	2,902	70	(40)	2,933	2.1%	-	18	18	-	2,950	-	(0)	860	860	-	-	-	154
2020	2,974	37	-	3,010	2,974	53	(30)	2,997	2.2%	-	13	13	-	3,010	-	(0)	1,020	1,020	-	-	-	126
2021	3,047	29	-	3,076	3,047	40	(23)	3,065	2.3%	-	11	11	-	3,076	-	(0)	1,185	1,185	-	-	-	104
2022	3,368	24	-	3,392	3,368	32	(18)	3,382	10.3%	-	10	10	-	3,392	-	(0)	1,356	1,356	-	-	-	86
2023	4,230	19	-	4,249	4,230	26	(353)	3,903	15.4%	-	345	345	-	4,249	-	(0)	1,195	1,195	-	-	-	71
2024	5,313	15	-	5,328	5,313	21	(828)	4,505	15.4%	-	823	823	-	5,328	-	(0)	548	548	-	-	-	60
2025	5,872	12	-	5,884	5,872	17	(689)	5,200	15.4%	-	685	685	-	5,884	-	(0)	10	10	0	-	0	51
	51,209	3,109	12	54,329	51,209	3,402	(4,237)	50,374		336	3,557	3,893	3	54,270	-				123	123		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 16.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,045	2,457	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,202		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	164	-	164	1,951
2007	963	286	9	1,258	963	112	-	1,075	0.5%	42	135	177	0	1,252	(6)	(0)	280	280	-	49	116	1,978
2008	1,164	336	6	1,506	1,164	321	(236)	1,249	16.2%	42	215	257	-	1,506	-	(0)	258	258	3	-	118	1,880
2009	1,190	348	6	1,544	1,190	376	(211)	1,355	8.5%	42	147	189	-	1,544	-	(0)	299	299	-	69	49	1,740
2010	1,217	363	3	1,583	1,217	385	(216)	1,386	2.3%	42	155	197	-	1,583	-	(0)	327	327	-	49	-	1,557
2011	1,403	360	-	1,764	1,403	400	(224)	1,579	13.9%	42	143	185	-	1,764	-	(0)	363	363	-	-	-	1,280
2012	1,551	328	-	1,880	1,551	397	(223)	1,725	9.3%	42	113	155	-	1,880	-	(0)	428	428	-	-	-	1,021
2013	1,948	285	-	2,233	1,948	361	(305)	2,005	16.2%	42	186	228	-	2,233	-	(0)	418	418	-	-	-	793
2014	2,447	233	-	2,680	2,447	313	(430)	2,331	16.2%	-	350	350	-	2,680	-	(0)	242	242	-	-	-	605
2015	2,705	180	-	2,885	2,705	256	(253)	2,709	16.2%	-	176	176	-	2,885	-	(0)	228	228	-	-	-	459
2016	2,773	132	-	2,905	2,773	198	(111)	2,860	5.6%	-	45	45	-	2,905	-	(0)	343	343	-	-	-	354
2017	2,843	97	-	2,940	2,843	145	(81)	2,906	1.6%	-	34	34	-	2,940	-	(0)	470	470	-	-	-	276
2018	2,914	73	-	2,987	2,914	107	(60)	2,961	1.9%	-	26	26	-	2,987	-	(0)	607	607	-	-	-	218
2019	2,987	55	-	3,042	2,987	80	(45)	3,022	2.1%	-	20	20	-	3,042	-	(0)	752	752	-	-	-	175
2020	3,062	41	-	3,104	3,062	61	(34)	3,089	2.2%	-	15	15	-	3,104	-	(0)	906	906	-	-	-	143
2021	3,139	33	-	3,172	3,139	45	(26)	3,159	2.3%	-	13	13	-	3,172	-	(0)	1,065	1,065	-	-	-	118
2022	3,471	27	-	3,498	3,471	36	(20)	3,487	10.4%	-	11	11	-	3,498	-	(0)	1,230	1,230	-	-	-	97
2023	4,361	21	-	4,382	4,361	29	(338)	4,053	16.2%	-	330	330	-	4,382	-	(0)	1,080	1,080	-	-	-	81
2024	5,479	17	-	5,496	5,479	23	(792)	4,711	16.2%	-	786	786	-	5,496	-	(0)	465	465	-	-	-	68
2025	6,058	14	-	6,072	6,058	19	(602)	5,475	16.2%	-	597	597	-	6,072	-	(0)	12	12	0	-	0	58
	52,622	3,453	23	56,098	52,622	3,790	(4,206)	52,205		336	3,494	3,830	3	56,038	-				167	167		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 17.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,126	2,471	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,174		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	206	-	206	2,156
2007	963	286	11	1,260	963	113	-	1,076	0.6%	42	136	178	0	1,254	(6)	0	281	281	-	43	162	2,214
2008	1,182	370	9	1,561	1,182	324	(248)	1,258	17.0%	42	260	302	-	1,561	-	0	215	215	45	-	207	2,106
2009	1,209	385	11	1,605	1,209	419	(235)	1,393	10.7%	42	170	212	-	1,605	-	0	235	235	-	51	156	1,952
2010	1,237	406	8	1,651	1,237	432	(242)	1,426	2.4%	42	183	225	-	1,651	-	0	237	237	-	43	112	1,746
2011	1,439	406	6	1,851	1,439	453	(254)	1,638	14.9%	42	171	213	-	1,851	-	0	246	246	-	72	40	1,434
2012	1,592	369	2	1,963	1,592	449	(252)	1,788	9.2%	42	132	174	-	1,963	-	0	288	288	-	40	-	1,143
2013	2,000	320	-	2,319	2,000	406	(314)	2,092	17.0%	42	186	228	-	2,319	-	0	274	274	-	-	-	887
2014	2,513	261	-	2,773	2,513	352	(417)	2,447	17.0%	-	327	327	-	2,773	-	0	114	114	21	-	21	677
2015	2,779	201	1	2,981	2,779	288	(204)	2,862	17.0%	-	119	119	-	2,981	-	0	154	154	-	21	-	514
2016	2,849	147	-	2,997	2,849	221	(124)	2,946	2.9%	-	50	50	-	2,997	-	0	260	260	-	-	-	395
2017	2,922	109	-	3,030	2,922	162	(91)	2,993	1.6%	-	38	38	-	3,030	-	0	380	380	-	-	-	309
2018	2,996	82	-	3,078	2,996	120	(67)	3,049	1.9%	-	29	29	-	3,078	-	0	510	510	-	-	-	244
2019	3,072	62	-	3,134	3,072	90	(50)	3,112	2.1%	-	22	22	-	3,134	-	0	649	649	-	-	-	195
2020	3,151	46	-	3,197	3,151	68	(38)	3,181	2.2%	-	16	16	-	3,197	-	0	797	797	-	-	-	160
2021	3,231	36	-	3,268	3,231	51	(28)	3,254	2.3%	-	14	14	-	3,268	-	0	950	950	-	-	-	132
2022	3,574	30	-	3,604	3,574	40	(22)	3,591	10.4%	-	12	12	-	3,604	-	0	1,109	1,109	-	-	-	109
2023	4,492	24	-	4,516	4,492	33	(324)	4,201	17.0%	-	315	315	-	4,516	-	0	969	969	-	-	-	91
2024	5,645	19	-	5,665	5,645	26	(758)	4,914	17.0%	-	751	751	-	5,665	-	0	384	384	-	-	-	76
2025	6,244	16	-	6,260	6,244	21	(518)	5,748	17.0%	-	512	512	-	6,260	-	0	13	13	0	-	0	64
	54,035	3,797	47	57,879	54,035	4,192	(4,189)	54,038		336	3,443	3,779	3	57,819	-				271	271		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 16.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,847	2,444	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,385		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	46	-	46	1,360
2007	963	233	2	1,199	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	(0)	332	332	-	46	-	1,401
2008	983	236	-	1,218	983	256	(144)	1,095	2.2%	42	81	123	-	1,218	-	(0)	440	440	-	-	-	1,429
2009	1,002	245	-	1,247	1,002	259	(145)	1,116	1.9%	42	90	132	-	1,247	-	(0)	541	541	-	-	-	1,440
2010	1,159	259	-	1,418	1,159	270	(151)	1,277	14.5%	42	99	141	-	1,418	-	(0)	634	634	-	-	-	1,370
2011	1,184	272	-	1,456	1,184	285	(160)	1,309	2.5%	42	105	147	-	1,456	-	(0)	720	720	-	-	-	1,264
2012	1,305	276	-	1,581	1,305	299	(168)	1,436	9.7%	42	103	145	-	1,581	-	(0)	809	809	-	-	-	1,131
2013	1,794	266	-	2,060	1,794	303	(421)	1,676	16.7%	42	341	383	-	2,060	-	(0)	660	660	-	-	-	926
2014	2,251	241	-	2,492	2,251	292	(587)	1,956	16.7%	-	536	536	-	2,492	-	(0)	307	307	-	-	-	735
2015	2,485	207	-	2,693	2,485	265	(467)	2,283	16.7%	-	410	410	-	2,693	-	(0)	62	62	51	-	51	569
2016	2,544	172	3	2,719	2,544	231	(130)	2,646	15.9%	-	73	73	-	2,719	-	(0)	143	143	-	51	-	429
2017	2,605	132	-	2,737	2,605	189	(106)	2,688	1.6%	-	49	49	-	2,737	-	(0)	247	247	-	-	-	322
2018	2,667	95	-	2,763	2,667	145	(81)	2,731	1.6%	-	32	32	-	2,763	-	(0)	370	370	-	-	-	245
2019	2,731	69	-	2,800	2,731	105	(59)	2,777	1.7%	-	23	23	-	2,800	-	(0)	503	503	-	-	-	189
2020	2,797	51	-	2,848	2,797	76	(43)	2,830	1.9%	-	18	18	-	2,848	-	(0)	644	644	-	-	-	149
2021	2,864	39	-	2,903	2,864	56	(31)	2,888	2.1%	-	15	15	-	2,903	-	(0)	791	791	-	-	-	118
2022	3,162	29	-	3,191	3,162	43	(24)	3,181	10.1%	-	10	10	-	3,191	-	(0)	945	945	-	-	-	95
2023	3,968	22	-	3,991	3,968	32	(288)	3,712	16.7%	-	278	278	-	3,991	-	(0)	835	835	-	-	-	78
2024	4,980	18	-	4,998	4,980	24	(672)	4,332	16.7%	-	666	666	-	4,998	-	(0)	330	330	-	-	-	65
2025	5,500	14	-	5,514	5,500	20	(464)	5,056	16.7%	-	458	458	-	5,514	-	(0)	11	11	0	-	0	54
	47,889	3,098	5	50,992	47,889	3,384	(4,142)	47,131		336	3,463	3,799	3	50,933	-				98	98		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 18.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,942	2,452	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,357		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	90	-	90	1,577
2007	963	267	5	1,235	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	63	26	1,625
2008	983	270	1	1,253	983	295	(165)	1,112	3.6%	42	100	142	-	1,253	-	0	389	389	-	26	-	1,657
2009	1,002	282	-	1,284	1,002	296	(166)	1,132	1.8%	42	110	152	-	1,284	-	0	467	467	-	-	-	1,669
2010	1,178	301	-	1,479	1,178	310	(174)	1,314	16.1%	42	123	165	-	1,479	-	0	533	533	-	-	-	1,586
2011	1,204	317	-	1,521	1,204	331	(186)	1,350	2.7%	42	129	171	-	1,521	-	0	590	590	-	-	-	1,460
2012	1,328	320	-	1,647	1,328	348	(195)	1,481	9.7%	42	125	167	-	1,647	-	0	652	652	-	-	-	1,304
2013	1,845	307	-	2,153	1,845	352	(450)	1,747	18.0%	42	364	406	-	2,153	-	0	474	474	-	-	-	1,066
2014	2,316	278	-	2,594	2,316	338	(593)	2,061	18.0%	-	533	533	-	2,594	-	0	116	116	53	-	53	847
2015	2,558	239	3	2,800	2,558	309	(435)	2,432	18.0%	-	276	276	-	2,709	(92)	(92)	-	(92)	170	-	223	655
2016	2,621	198	12	2,830	2,621	276	(155)	2,742	12.7%	-	155	155	-	2,897	67	(25)	-	(25)	-	99	124	494
2017	2,684	152	7	2,842	2,684	225	(126)	2,783	1.5%	-	85	85	-	2,868	25	(0)	66	66	-	116	8	371
2018	2,749	110	0	2,860	2,749	167	(94)	2,823	1.4%	-	37	37	-	2,860	-	(0)	177	177	-	8	-	282
2019	2,816	80	-	2,896	2,816	121	(68)	2,869	1.7%	-	27	27	-	2,896	-	(0)	298	298	-	-	-	218
2020	2,885	59	-	2,944	2,885	88	(49)	2,924	1.9%	-	20	20	-	2,944	-	(0)	429	429	-	-	-	172
2021	2,956	45	-	3,001	2,956	64	(36)	2,984	2.1%	-	17	17	-	3,001	-	(0)	565	565	-	-	-	136
2022	3,265	33	-	3,299	3,265	49	(28)	3,287	10.2%	-	12	12	-	3,299	-	(0)	708	708	-	-	-	110
2023	4,099	26	-	4,125	4,099	37	(258)	3,878	18.0%	-	246	246	-	4,125	-	(0)	621	621	-	-	-	90
2024	5,146	21	-	5,167	5,146	28	(598)	4,576	18.0%	-	591	591	-	5,167	-	(0)	182	182	-	-	-	75
2025	5,686	16	-	5,702	5,686	23	(309)	5,400	18.0%	-	302	302	-	5,702	-	(0)	13	13	0	-	0	63
	49,231	3,540	27	52,799	49,231	3,891	(4,085)	49,037		336	3,364	3,700	3	52,739	-				312	312		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 19.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,039	2,464	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,339		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	132	-	132	1,791
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,251	(6)	(0)	280	280	-	40	92	1,859
2008	983	304	5	1,291	983	320	(180)	1,123	4.6%	42	126	168	-	1,291	-	(0)	345	345	-	58	34	1,896
2009	1,002	319	2	1,323	1,002	336	(189)	1,150	2.4%	42	131	173	-	1,323	-	(0)	401	401	-	34	-	1,908
2010	1,198	344	-	1,542	1,198	351	(197)	1,352	17.6%	42	148	190	-	1,542	-	(0)	439	439	-	-	-	1,811
2011	1,225	364	-	1,589	1,225	379	(213)	1,391	2.9%	42	156	198	-	1,589	-	(0)	466	466	-	-	-	1,662
2012	1,350	365	-	1,716	1,350	400	(225)	1,526	9.7%	42	148	190	-	1,716	-	(0)	500	500	-	-	-	1,483
2013	1,897	351	-	2,248	1,897	402	(480)	1,819	19.2%	42	387	429	-	2,248	-	(0)	292	292	-	-	-	1,211
2014	2,382	316	-	2,697	2,382	386	(600)	2,167	19.2%	-	460	460	-	2,628	(70)	(70)	-	(70)	262	-	262	962
2015	2,632	272	14	2,918	2,632	362	(412)	2,583	19.2%	-	161	161	-	2,743	(174)	(244)	-	(244)	131	-	393	743
2016	2,697	225	21	2,942	2,697	322	(181)	2,838	9.9%	-	156	156	-	2,994	52	(192)	-	(192)	-	88	304	561
2017	2,763	172	16	2,951	2,763	265	(149)	2,880	1.5%	-	152	152	-	3,031	80	(112)	-	(112)	-	108	197	421
2018	2,832	125	10	2,967	2,832	200	(112)	2,920	1.4%	-	148	148	-	3,067	100	(12)	-	(12)	-	120	76	321
2019	2,902	90	4	2,996	2,902	142	(80)	2,964	1.5%	-	44	44	-	3,008	12	0	99	99	-	76	-	248
2020	2,974	66	-	3,040	2,974	100	(56)	3,017	1.8%	-	23	23	-	3,040	-	0	219	219	-	-	-	195
2021	3,047	51	-	3,098	3,047	73	(41)	3,079	2.1%	-	19	19	-	3,098	-	0	344	344	-	-	-	155
2022	3,368	38	-	3,406	3,368	56	(31)	3,393	10.2%	-	13	13	-	3,406	-	0	478	478	-	-	-	125
2023	4,230	29	-	4,259	4,230	42	(229)	4,043	19.2%	-	216	216	-	4,259	-	0	411	411	-	-	-	103
2024	5,313	23	-	5,336	5,313	32	(527)	4,818	19.2%	-	518	518	-	5,336	-	0	37	37	-	-	-	85
2025	5,872	18	-	5,890	5,872	26	(157)	5,741	19.2%	-	149	149	-	5,890	-	0	14	14	0	-	0	71
	50,573	3,982	78	54,633	50,573	4,429	(4,057)	50,945		336	3,290	3,626	3	54,574	-				525	525		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 20.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,137	2,483	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,332		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	174	-	174	2,001
2007	963	286	9	1,259	963	112	-	1,075	0.6%	42	136	178	0	1,253	(6)	(0)	280	280	-	33	141	2,107
2008	983	338	7	1,328	983	323	(181)	1,124	4.6%	42	162	204	-	1,328	-	(0)	312	312	-	23	118	2,150
2009	1,002	357	6	1,365	1,002	379	(213)	1,168	3.9%	42	155	197	-	1,365	-	(0)	347	347	-	32	86	2,162
2010	1,217	390	5	1,612	1,217	398	(223)	1,392	19.1%	42	178	220	-	1,612	-	(0)	355	355	-	31	54	2,049
2011	1,245	415	3	1,663	1,245	432	(243)	1,435	3.1%	42	186	228	-	1,663	-	(0)	352	352	-	31	23	1,876
2012	1,373	414	1	1,789	1,373	458	(257)	1,574	9.7%	42	173	215	-	1,789	-	(0)	357	357	-	23	-	1,669
2013	1,948	397	-	2,345	1,948	456	(512)	1,892	20.2%	42	411	453	-	2,345	-	(0)	120	120	153	-	153	1,362
2014	2,447	355	8	2,811	2,447	445	(617)	2,275	20.2%	-	287	287	-	2,562	(249)	(249)	-	(249)	313	-	465	1,081
2015	2,705	306	24	3,036	2,705	418	(388)	2,735	20.2%	-	162	162	-	2,897	(139)	(388)	-	(388)	90	-	555	835
2016	2,773	252	29	3,055	2,773	369	(207)	2,935	7.3%	-	157	157	-	3,092	37	(351)	-	(351)	-	78	477	631
2017	2,843	193	25	3,060	2,843	305	(171)	2,976	1.4%	-	152	152	-	3,129	68	(283)	-	(283)	-	100	378	474
2018	2,914	140	20	3,074	2,914	234	(131)	3,016	1.3%	-	148	148	-	3,164	90	(193)	-	(193)	-	113	265	360
2019	2,987	102	14	3,103	2,987	170	(95)	3,062	1.5%	-	144	144	-	3,206	103	(90)	-	(90)	-	119	145	279
2020	3,062	74	8	3,144	3,062	120	(68)	3,115	1.7%	-	119	119	-	3,234	90	0	22	22	-	123	22	220
2021	3,139	57	1	3,198	3,139	83	(47)	3,176	2.0%	-	22	22	-	3,198	-	0	137	137	-	22	-	175
2022	3,471	43	-	3,514	3,471	63	(35)	3,499	10.2%	-	15	15	-	3,514	-	0	261	261	-	-	-	141
2023	4,361	33	-	4,394	4,361	47	(202)	4,206	20.2%	-	188	188	-	4,394	-	0	214	214	-	-	-	116
2024	5,479	27	-	5,506	5,479	36	(458)	5,057	20.2%	-	350	350	-	5,407	(99)	(99)	-	(99)	118	-	118	96
2025	6,058	21	6	6,085	6,058	36	(20)	6,074	20.1%	-	110	110	-	6,184	99	(0)	16	16	-	118	0	80
	51,916	4,423	167	56,505	51,916	5,007	(4,069)	52,854		336	3,253	3,589	3	56,446	-				848	848		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 21.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,237	2,513	59	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,338		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	217	-	217	2,211
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	26	190	2,355
2008	983	372	10	1,365	983	326	(183)	1,125	4.6%	42	198	240	-	1,365	-	(0)	279	279	12	-	202	2,403
2009	1,002	395	11	1,407	1,002	421	(237)	1,187	5.5%	42	178	220	-	1,407	-	(0)	292	292	-	11	191	2,417
2010	1,237	435	10	1,682	1,237	445	(250)	1,432	20.7%	42	208	250	-	1,682	-	(0)	273	273	-	7	185	2,287
2011	1,265	465	10	1,740	1,265	489	(275)	1,480	3.3%	42	218	260	-	1,740	-	(0)	239	239	-	6	179	2,089
2012	1,396	464	9	1,869	1,396	522	(293)	1,625	9.8%	42	202	244	-	1,869	-	(0)	216	216	-	24	155	1,856
2013	2,000	442	8	2,450	2,000	519	(543)	1,976	21.6%	42	391	433	-	2,408	(42)	(42)	-	(42)	190	-	345	1,513
2014	2,513	395	18	2,926	2,513	506	(617)	2,402	21.6%	-	168	168	-	2,570	(356)	(398)	-	(398)	293	-	638	1,201
2015	2,779	340	33	3,152	2,779	472	(330)	2,921	21.6%	-	163	163	-	3,083	(69)	(467)	-	(467)	14	-	652	928
2016	2,849	280	34	3,164	2,849	412	(231)	3,030	3.7%	-	157	157	-	3,187	24	(443)	-	(443)	-	69	583	700
2017	2,922	214	31	3,166	2,922	342	(192)	3,072	1.4%	-	153	153	-	3,224	58	(385)	-	(385)	-	93	490	527
2018	2,996	156	26	3,178	2,996	263	(148)	3,112	1.3%	-	148	148	-	3,260	82	(303)	-	(303)	-	107	383	400
2019	3,072	113	20	3,206	3,072	194	(109)	3,157	1.5%	-	144	144	-	3,302	96	(206)	-	(206)	-	114	268	310
2020	3,151	82	14	3,247	3,151	140	(78)	3,212	1.7%	-	141	141	-	3,353	106	(101)	-	(101)	-	119	149	244
2021	3,231	63	8	3,303	3,231	99	(56)	3,275	2.0%	-	128	128	-	3,403	101	0	9	9	-	120	29	194
2022	3,574	47	2	3,623	3,574	71	(40)	3,605	10.1%	-	18	18	-	3,623	-	0	126	126	-	29	-	157
2023	4,492	37	-	4,529	4,492	52	(160)	4,384	21.6%	-	145	145	-	4,529	-	0	117	117	-	-	-	129
2024	5,645	30	-	5,675	5,645	40	(356)	5,330	21.6%	-	249	249	-	5,579	(96)	(96)	-	(96)	118	-	118	106
2025	6,244	23	6	6,273	6,244	39	(22)	6,261	17.5%	-	108	108	-	6,370	96	0	18	18	-	118	0	89
	53,258	4,864	261	58,383	53,258	5,592	(4,120)	54,731		336	3,255	3,591	3	58,324	-				843	843		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 16.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,826	2,441	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,371		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	45	-	45	1,351
2007	963	233	2	1,198	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	(0)	332	332	-	45	-	1,376
2008	1,011	235	-	1,246	1,011	256	(144)	1,123	4.8%	42	81	123	-	1,246	-	(0)	441	441	-	-	-	1,390
2009	1,059	243	-	1,303	1,059	259	(145)	1,173	4.4%	42	88	130	-	1,303	-	(0)	543	543	-	-	-	1,385
2010	1,109	254	-	1,363	1,109	268	(150)	1,226	4.5%	42	95	137	-	1,363	-	(0)	640	640	-	-	-	1,356
2011	1,159	263	-	1,422	1,159	280	(157)	1,282	4.5%	42	99	141	-	1,422	-	(0)	733	733	-	-	-	1,302
2012	1,305	266	-	1,571	1,305	290	(163)	1,432	11.8%	42	97	139	-	1,571	-	(0)	828	828	-	-	-	1,225
2013	1,669	260	-	1,929	1,669	292	(299)	1,663	16.1%	42	225	267	-	1,929	-	(0)	796	796	-	-	-	1,129
2014	2,134	248	-	2,382	2,134	286	(490)	1,930	16.1%	-	452	452	-	2,382	-	(0)	532	532	-	-	-	1,014
2015	2,399	231	-	2,631	2,399	272	(431)	2,240	16.1%	-	390	390	-	2,631	-	(0)	316	316	-	-	-	881
2016	2,500	213	-	2,713	2,500	255	(154)	2,601	16.1%	-	112	112	-	2,713	-	(0)	367	367	-	-	-	737
2017	2,605	190	-	2,795	2,605	234	(131)	2,708	4.1%	-	87	87	-	2,795	-	(0)	441	441	-	-	-	587
2018	2,667	163	-	2,830	2,667	209	(117)	2,759	1.9%	-	71	71	-	2,830	-	(0)	531	531	-	-	-	456
2019	2,731	134	-	2,865	2,731	180	(101)	2,810	1.8%	-	55	55	-	2,865	-	(0)	639	639	-	-	-	348
2020	2,797	105	-	2,901	2,797	147	(83)	2,861	1.8%	-	40	40	-	2,901	-	(0)	763	763	-	-	-	264
2021	2,864	78	-	2,942	2,864	115	(65)	2,914	1.9%	-	28	28	-	2,942	-	(0)	902	902	-	-	-	201
2022	3,162	57	-	3,219	3,162	86	(48)	3,200	9.8%	-	19	19	-	3,219	-	(0)	1,051	1,051	-	-	-	155
2023	3,968	42	-	4,010	3,968	63	(317)	3,714	16.1%	-	296	296	-	4,010	-	(0)	928	928	-	-	-	122
2024	4,980	31	-	5,011	4,980	46	(714)	4,312	16.1%	-	699	699	-	5,011	-	(0)	393	393	-	-	-	97
2025	5,500	24	-	5,523	5,500	34	(529)	5,005	16.1%	-	518	518	-	5,523	-	(0)	16	16	0	-	0	79
	47,528	3,493	2	51,023	47,528	3,804	(4,238)	47,094		336	3,531	3,867	3	50,963	-				45	45		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 17.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,915	2,442	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,333		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	88	-	88	1,567
2007	963	267	5	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	67	20	1,596
2008	1,015	269	1	1,285	1,015	294	(165)	1,144	6.7%	42	99	141	-	1,285	-	0	389	389	-	20	-	1,612
2009	1,068	280	-	1,348	1,068	296	(166)	1,197	4.6%	42	108	150	-	1,348	-	0	469	469	-	-	-	1,606
2010	1,121	296	-	1,417	1,121	308	(173)	1,256	4.9%	42	118	160	-	1,417	-	0	539	539	-	-	-	1,570
2011	1,175	307	-	1,482	1,175	325	(182)	1,318	4.9%	42	122	164	-	1,482	-	0	604	604	-	-	-	1,503
2012	1,328	308	-	1,636	1,328	338	(190)	1,476	12.0%	42	118	160	-	1,636	-	0	673	673	-	-	-	1,412
2013	1,703	301	-	2,004	1,703	339	(311)	1,731	17.3%	42	231	273	-	2,004	-	0	629	629	-	-	-	1,298
2014	2,183	285	-	2,468	2,183	331	(483)	2,030	17.3%	-	438	438	-	2,468	-	0	372	372	-	-	-	1,166
2015	2,460	267	-	2,727	2,460	314	(393)	2,381	17.3%	-	346	346	-	2,727	-	0	195	195	8	-	8	1,012
2016	2,570	244	0	2,815	2,570	294	(165)	2,699	13.3%	-	116	116	-	2,815	-	0	237	237	-	8	-	846
2017	2,684	218	-	2,902	2,684	269	(151)	2,802	3.8%	-	100	100	-	2,902	-	0	293	293	-	-	-	674
2018	2,749	187	-	2,937	2,749	240	(135)	2,855	1.9%	-	82	82	-	2,937	-	0	367	367	-	-	-	524
2019	2,816	153	-	2,970	2,816	206	(116)	2,907	1.8%	-	63	63	-	2,970	-	0	460	460	-	-	-	400
2020	2,885	120	-	3,005	2,885	169	(95)	2,959	1.8%	-	46	46	-	3,005	-	0	571	571	-	-	-	303
2021	2,956	89	-	3,045	2,956	132	(74)	3,013	1.8%	-	32	32	-	3,045	-	0	698	698	-	-	-	231
2022	3,265	65	-	3,331	3,265	98	(55)	3,308	9.8%	-	22	22	-	3,331	-	0	836	836	-	-	-	178
2023	4,099	48	-	4,147	4,099	72	(291)	3,880	17.3%	-	267	267	-	4,147	-	0	733	733	-	-	-	140
2024	5,146	36	-	5,182	5,146	53	(649)	4,551	17.3%	-	632	632	-	5,182	-	0	258	258	-	-	-	112
2025	5,686	27	-	5,713	5,686	40	(388)	5,337	17.3%	-	376	376	-	5,713	-	0	18	18	0	-	0	90
	48,818	3,991	6	52,816	48,818	4,351	(4,181)	48,988		336	3,429	3,765	3	52,756	-				95	95		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 18.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,004	2,453	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,307		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	130	-	130	1,780
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,251	(6)	(0)	280	280	-	45	86	1,826
2008	1,019	303	4	1,327	1,019	320	(179)	1,159	8.0%	42	125	167	-	1,327	-	(0)	345	345	-	62	24	1,845
2009	1,076	317	1	1,394	1,076	335	(188)	1,223	5.5%	42	129	171	-	1,394	-	(0)	404	404	-	24	-	1,838
2010	1,133	338	-	1,472	1,133	349	(196)	1,286	5.2%	42	144	186	-	1,472	-	(0)	446	446	-	-	-	1,793
2011	1,192	353	-	1,545	1,192	372	(209)	1,355	5.4%	42	148	190	-	1,545	-	(0)	482	482	-	-	-	1,711
2012	1,350	353	-	1,703	1,350	388	(218)	1,521	12.2%	42	140	182	-	1,703	-	(0)	524	524	-	-	-	1,604
2013	1,737	343	-	2,080	1,737	388	(324)	1,801	18.4%	42	237	279	-	2,080	-	(0)	467	467	-	-	-	1,472
2014	2,232	324	-	2,556	2,232	378	(477)	2,132	18.4%	-	423	423	-	2,556	-	(0)	218	218	46	-	46	1,320
2015	2,521	303	2	2,827	2,521	359	(356)	2,525	18.4%	-	302	302	-	2,827	-	(0)	80	80	103	-	149	1,145
2016	2,640	277	8	2,925	2,640	342	(192)	2,790	10.5%	-	135	135	-	2,925	-	(0)	105	105	-	62	87	956
2017	2,763	247	5	3,015	2,763	309	(174)	2,899	3.9%	-	115	115	-	3,015	-	(0)	144	144	-	78	9	762
2018	2,832	212	0	3,044	2,832	272	(153)	2,951	1.8%	-	93	93	-	3,044	-	(0)	201	201	-	9	-	592
2019	2,902	173	-	3,075	2,902	233	(131)	3,004	1.8%	-	71	71	-	3,075	-	(0)	279	279	-	-	-	452
2020	2,974	135	-	3,109	2,974	191	(107)	3,057	1.8%	-	52	52	-	3,109	-	(0)	377	377	-	-	-	343
2021	3,047	101	-	3,148	3,047	149	(83)	3,113	1.8%	-	36	36	-	3,148	-	(0)	492	492	-	-	-	261
2022	3,368	74	-	3,442	3,368	111	(62)	3,417	9.8%	-	25	25	-	3,442	-	(0)	619	619	-	-	-	202
2023	4,230	55	-	4,285	4,230	81	(266)	4,046	18.4%	-	239	239	-	4,285	-	(0)	535	535	-	-	-	159
2024	5,313	41	-	5,354	5,313	60	(583)	4,790	18.4%	-	563	563	-	5,354	-	(0)	121	121	-	-	-	127
2025	5,872	31	-	5,903	5,872	45	(245)	5,672	18.4%	-	231	231	-	5,903	-	(0)	21	21	0	-	0	103
	50,109	4,489	28	54,626	50,109	4,917	(4,142)	50,885		336	3,343	3,679	3	54,567	-				279	279		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 19.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,094	2,480	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,303		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	172	-	172	1,989
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	(0)	280	280	-	38	134	2,071
2008	1,023	338	7	1,368	1,023	323	(181)	1,165	8.3%	42	161	203	-	1,368	-	(0)	312	312	-	27	107	2,093
2009	1,084	355	6	1,444	1,084	377	(212)	1,250	7.3%	42	153	195	-	1,444	-	(0)	349	349	-	39	68	2,084
2010	1,146	383	4	1,533	1,146	394	(221)	1,319	5.5%	42	172	214	-	1,533	-	(0)	363	363	-	25	43	2,029
2011	1,209	403	2	1,614	1,209	424	(238)	1,395	5.8%	42	177	219	-	1,614	-	(0)	368	368	-	25	18	1,930
2012	1,373	400	1	1,774	1,373	444	(249)	1,568	12.4%	42	164	206	-	1,774	-	(0)	382	382	-	18	-	1,804
2013	1,770	388	-	2,159	1,770	440	(338)	1,872	19.4%	42	245	287	-	2,159	-	(0)	312	312	18	-	18	1,652
2014	2,280	365	1	2,646	2,280	428	(473)	2,235	19.4%	-	411	411	-	2,646	-	(0)	71	71	207	-	225	1,479
2015	2,583	340	12	2,935	2,583	414	(328)	2,669	19.4%	-	236	236	-	2,905	(29)	(29)	-	(29)	61	-	286	1,282
2016	2,710	310	15	3,035	2,710	391	(219)	2,882	8.0%	-	160	160	-	3,042	7	(23)	-	(23)	-	49	237	1,070
2017	2,843	276	12	3,131	2,843	355	(199)	2,998	4.0%	-	155	155	-	3,154	23	(0)	0	0	-	67	170	852
2018	2,914	237	9	3,160	2,914	313	(176)	3,051	1.8%	-	109	109	-	3,160	-	(0)	42	42	-	80	90	663
2019	2,987	194	5	3,186	2,987	266	(150)	3,104	1.7%	-	82	82	-	3,186	-	(0)	107	107	-	90	-	506
2020	3,062	151	-	3,213	3,062	213	(120)	3,156	1.7%	-	57	57	-	3,213	-	(0)	192	192	-	-	-	384
2021	3,139	113	-	3,252	3,139	166	(93)	3,212	1.8%	-	40	40	-	3,252	-	(0)	296	296	-	-	-	293
2022	3,471	83	-	3,554	3,471	124	(70)	3,525	9.7%	-	28	28	-	3,554	-	(0)	412	412	-	-	-	227
2023	4,361	61	-	4,422	4,361	91	(242)	4,209	19.4%	-	213	213	-	4,422	-	(0)	347	347	-	-	-	178
2024	5,479	46	-	5,525	5,479	67	(520)	5,026	19.4%	-	488	488	-	5,514	(10)	(10)	-	(10)	39	-	39	142
2025	6,058	35	2	6,095	6,058	53	(109)	6,002	19.4%	-	103	103	-	6,105	10	(0)	23	23	-	39	0	115
	51,400	4,986	84	56,471	51,400	5,521	(4,138)	52,783		336	3,290	3,626	3	56,411	-				496	496		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 20.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,191	2,516	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,314		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	214	-	214	2,198
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	32	182	2,315
2008	1,027	372	10	1,409	1,027	325	(183)	1,170	8.7%	42	197	239	-	1,409	-	(0)	279	279	7	-	189	2,341
2009	1,092	392	10	1,494	1,092	420	(236)	1,276	9.1%	42	176	218	-	1,494	-	(0)	295	295	-	18	171	2,331
2010	1,158	428	9	1,595	1,158	441	(248)	1,352	5.9%	42	202	244	-	1,595	-	(0)	281	281	0	-	172	2,265
2011	1,225	452	9	1,686	1,225	481	(270)	1,436	6.3%	42	208	250	-	1,686	-	(0)	257	257	1	-	173	2,149
2012	1,396	448	9	1,853	1,396	507	(285)	1,618	12.7%	42	192	234	-	1,853	-	(0)	245	245	-	17	156	2,004
2013	1,804	433	8	2,246	1,804	502	(356)	1,949	20.5%	42	254	296	-	2,246	-	(0)	166	166	44	-	201	1,832
2014	2,329	406	11	2,746	2,329	488	(470)	2,348	20.5%	-	337	337	-	2,685	(61)	(61)	-	(61)	188	-	389	1,639
2015	2,644	378	20	3,042	2,644	469	(284)	2,828	20.5%	-	166	166	-	2,994	(48)	(109)	-	(109)	4	-	392	1,419
2016	2,780	344	21	3,145	2,780	438	(246)	2,972	5.1%	-	161	161	-	3,134	(11)	(119)	-	(119)	-	36	356	1,183
2017	2,922	305	19	3,246	2,922	399	(224)	3,097	4.2%	-	157	157	-	3,253	8	(112)	-	(112)	-	56	300	943
2018	2,996	263	16	3,275	2,996	353	(198)	3,151	1.8%	-	152	152	-	3,303	28	(84)	-	(84)	-	70	230	733
2019	3,072	214	12	3,299	3,072	302	(170)	3,205	1.7%	-	147	147	-	3,352	53	(30)	-	(30)	-	88	142	560
2020	3,151	167	7	3,325	3,151	244	(137)	3,258	1.7%	-	97	97	-	3,355	30	(0)	45	45	-	103	40	425
2021	3,231	124	2	3,358	3,231	186	(104)	3,313	1.7%	-	45	45	-	3,358	-	(0)	139	139	-	40	-	324
2022	3,574	91	-	3,665	3,574	137	(77)	3,634	9.7%	-	31	31	-	3,665	-	(0)	247	247	-	-	-	251
2023	4,492	68	-	4,560	4,492	101	(215)	4,377	20.5%	-	183	183	-	4,560	-	(0)	204	204	-	-	-	197
2024	5,645	51	-	5,696	5,645	75	(448)	5,272	20.5%	-	340	340	-	5,612	(84)	(84)	-	(84)	115	-	115	157
2025	6,244	38	6	6,289	6,244	62	(35)	6,272	19.0%	-	101	101	-	6,372	84	0	25	25	-	115	0	127
	52,691	5,484	180	58,354	52,691	6,168	(4,185)	54,674		336	3,283	3,619	3	58,295	-				574	574		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 13.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,806	2,444	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,336		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	43	-	43	1,343
2007	963	233	2	1,198	963	108	-	1,072	0.3%	42	79	121	0	1,193	(6)	0	332	332	-	43	-	1,348
2008	1,038	235	-	1,272	1,038	256	(144)	1,150	7.3%	42	80	122	-	1,272	-	0	441	441	-	-	-	1,316
2009	1,110	242	-	1,352	1,110	258	(145)	1,224	6.4%	42	86	128	-	1,352	-	0	545	545	-	-	-	1,239
2010	1,182	248	-	1,430	1,182	266	(149)	1,299	6.1%	42	90	132	-	1,430	-	0	647	647	-	-	-	1,113
2011	1,254	248	-	1,502	1,254	273	(153)	1,373	5.8%	42	87	129	-	1,502	-	0	752	752	-	-	-	949
2012	1,430	236	-	1,666	1,430	273	(153)	1,550	12.8%	42	74	116	-	1,666	-	0	871	871	-	-	-	765
2013	1,794	209	-	2,003	1,794	259	(291)	1,763	13.7%	42	199	241	-	2,003	-	0	867	867	-	-	-	598
2014	2,251	174	-	2,425	2,251	230	(476)	2,005	13.7%	-	420	420	-	2,425	-	0	638	638	-	-	-	458
2015	2,485	136	-	2,621	2,485	191	(396)	2,280	13.7%	-	341	341	-	2,621	-	0	475	475	-	-	-	348
2016	2,544	102	-	2,646	2,544	149	(101)	2,593	13.7%	-	53	53	-	2,646	-	0	591	591	-	-	-	265
2017	2,605	75	-	2,680	2,605	112	(63)	2,654	2.4%	-	26	26	-	2,680	-	0	736	736	-	-	-	205
2018	2,667	55	-	2,723	2,667	83	(46)	2,704	1.9%	-	19	19	-	2,723	-	0	891	891	-	-	-	161
2019	2,731	41	-	2,772	2,731	61	(34)	2,758	2.0%	-	14	14	-	2,772	-	0	1,053	1,053	-	-	-	129
2020	2,797	32	-	2,828	2,797	45	(25)	2,816	2.1%	-	12	12	-	2,828	-	0	1,222	1,222	-	-	-	104
2021	2,864	24	-	2,888	2,864	35	(20)	2,879	2.2%	-	9	9	-	2,888	-	0	1,397	1,397	-	-	-	85
2022	3,162	19	-	3,182	3,162	27	(15)	3,174	10.3%	-	8	8	-	3,182	-	0	1,578	1,578	-	-	-	70
2023	3,968	15	-	3,984	3,968	21	(380)	3,610	13.7%	-	374	374	-	3,984	-	0	1,398	1,398	-	-	-	58
2024	4,980	12	-	4,992	4,980	17	(891)	4,106	13.7%	-	886	886	-	4,992	-	0	695	695	-	-	-	49
2025	5,500	10	-	5,510	5,500	14	(843)	4,670	13.7%	-	840	840	-	5,510	-	0	8	8	0	-	0	41
	48,269	2,570	2	50,842	48,269	2,805	(4,326)	46,748		336	3,696	4,032	3	50,783	-				43	43		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 14.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,892	2,446	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,293		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	86	-	86	1,557
2007	963	267	4	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	72	14	1,564
2008	1,046	269	1	1,315	1,046	294	(165)	1,175	9.5%	42	98	140	-	1,315	-	0	389	389	-	14	-	1,528
2009	1,126	278	-	1,404	1,126	295	(166)	1,255	6.9%	42	106	148	-	1,404	-	0	472	472	-	-	-	1,440
2010	1,205	289	-	1,493	1,205	305	(171)	1,339	6.6%	42	113	155	-	1,493	-	0	547	547	-	-	-	1,292
2011	1,284	290	-	1,574	1,284	317	(178)	1,423	6.3%	42	109	151	-	1,574	-	0	627	627	-	-	-	1,100
2012	1,470	274	-	1,744	1,470	319	(179)	1,610	13.1%	42	92	134	-	1,744	-	0	722	722	-	-	-	885
2013	1,845	243	-	2,088	1,845	301	(300)	1,846	14.7%	42	200	242	-	2,088	-	0	711	711	-	-	-	691
2014	2,316	201	-	2,517	2,316	267	(466)	2,117	14.7%	-	400	400	-	2,517	-	0	496	496	-	-	-	530
2015	2,558	157	-	2,716	2,558	221	(352)	2,428	14.7%	-	288	288	-	2,716	-	0	381	381	-	-	-	402
2016	2,621	118	-	2,739	2,621	173	(97)	2,696	11.1%	-	42	42	-	2,739	-	0	504	504	-	-	-	307
2017	2,684	87	-	2,771	2,684	130	(73)	2,741	1.7%	-	30	30	-	2,771	-	0	641	641	-	-	-	237
2018	2,749	64	-	2,814	2,749	96	(54)	2,791	1.8%	-	22	22	-	2,814	-	0	789	789	-	-	-	186
2019	2,816	48	-	2,864	2,816	71	(40)	2,847	2.0%	-	17	17	-	2,864	-	0	945	945	-	-	-	149
2020	2,885	37	-	2,922	2,885	52	(29)	2,908	2.1%	-	14	14	-	2,922	-	0	1,108	1,108	-	-	-	120
2021	2,956	28	-	2,984	2,956	40	(23)	2,973	2.2%	-	11	11	-	2,984	-	0	1,277	1,277	-	-	-	98
2022	3,265	22	-	3,288	3,265	31	(17)	3,279	10.3%	-	9	9	-	3,288	-	0	1,452	1,452	-	-	-	81
2023	4,099	18	-	4,117	4,099	25	(364)	3,760	14.7%	-	357	357	-	4,117	-	0	1,283	1,283	-	-	-	67
2024	5,146	14	-	5,161	5,146	20	(854)	4,312	14.7%	-	849	849	-	5,161	-	0	613	613	-	-	-	57
2025	5,686	12	-	5,698	5,686	16	(757)	4,944	14.7%	-	753	753	-	5,698	-	0	10	10	0	-	0	48
	49,666	2,937	5	52,608	49,666	3,208	(4,286)	48,588		336	3,622	3,958	3	52,549	-				86	86		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 15.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,976	2,449	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,252		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	128	-	128	1,769
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,250	(6)	0	280	280	-	50	78	1,790
2008	1,054	303	4	1,360	1,054	319	(179)	1,194	11.2%	42	125	167	-	1,360	-	0	346	346	-	74	4	1,751
2009	1,141	314	0	1,456	1,141	333	(187)	1,287	7.8%	42	127	169	-	1,456	-	0	406	406	-	4	-	1,650
2010	1,228	331	-	1,558	1,228	346	(194)	1,379	7.2%	42	137	179	-	1,558	-	0	455	455	-	-	-	1,480
2011	1,314	334	-	1,648	1,314	364	(204)	1,473	6.8%	42	132	174	-	1,648	-	0	507	507	-	-	-	1,257
2012	1,511	314	-	1,825	1,511	367	(206)	1,672	13.5%	42	111	153	-	1,825	-	0	579	579	-	-	-	1,011
2013	1,897	278	-	2,175	1,897	345	(310)	1,932	15.6%	42	201	243	-	2,175	-	0	561	561	-	-	-	789
2014	2,382	229	-	2,611	2,382	306	(455)	2,233	15.6%	-	378	378	-	2,611	-	0	361	361	-	-	-	605
2015	2,632	180	-	2,812	2,632	252	(303)	2,581	15.6%	-	231	231	-	2,812	-	0	298	298	-	-	-	459
2016	2,697	135	-	2,831	2,697	198	(111)	2,784	7.9%	-	48	48	-	2,831	-	0	412	412	-	-	-	350
2017	2,763	99	-	2,862	2,763	148	(83)	2,828	1.6%	-	34	34	-	2,862	-	0	542	542	-	-	-	271
2018	2,832	74	-	2,905	2,832	109	(61)	2,879	1.8%	-	26	26	-	2,905	-	0	681	681	-	-	-	213
2019	2,902	54	-	2,956	2,902	81	(45)	2,937	2.0%	-	19	19	-	2,956	-	0	831	831	-	-	-	170
2020	2,974	42	-	3,015	2,974	60	(34)	3,000	2.1%	-	15	15	-	3,015	-	0	987	987	-	-	-	137
2021	3,047	32	-	3,080	3,047	46	(26)	3,068	2.3%	-	12	12	-	3,080	-	0	1,150	1,150	-	-	-	112
2022	3,368	26	-	3,394	3,368	35	(20)	3,384	10.3%	-	10	10	-	3,394	-	0	1,319	1,319	-	-	-	93
2023	4,230	20	-	4,251	4,230	28	(348)	3,911	15.6%	-	340	340	-	4,251	-	0	1,162	1,162	-	-	-	77
2024	5,313	16	-	5,329	5,313	23	(816)	4,519	15.6%	-	810	810	-	5,329	-	0	527	527	-	-	-	65
2025	5,872	13	-	5,885	5,872	18	(667)	5,223	15.6%	-	662	662	-	5,885	-	0	11	11	0	-	0	55
	51,063	3,303	11	54,377	51,063	3,614	(4,249)	50,428		336	3,551	3,887	3	54,318	-				128	128		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 16.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,056	2,455	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,214		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	170	-	170	1,977
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	(0)	280	280	-	44	126	2,031
2008	1,062	337	7	1,405	1,062	322	(181)	1,203	11.9%	42	160	202	-	1,405	-	(0)	313	313	-	41	85	1,988
2009	1,157	352	4	1,513	1,157	376	(211)	1,321	9.9%	42	150	192	-	1,513	-	(0)	352	352	-	62	23	1,876
2010	1,251	375	1	1,627	1,251	388	(218)	1,421	7.5%	42	164	206	-	1,627	-	(0)	373	373	-	23	-	1,681
2011	1,344	381	-	1,725	1,344	412	(231)	1,525	7.3%	42	158	200	-	1,725	-	(0)	395	395	-	-	-	1,425
2012	1,551	357	-	1,908	1,551	419	(235)	1,735	13.8%	42	131	173	-	1,908	-	(0)	442	442	-	-	-	1,146
2013	1,948	316	-	2,264	1,948	393	(322)	2,019	16.4%	42	203	245	-	2,264	-	(0)	417	417	-	-	-	893
2014	2,447	259	-	2,707	2,447	347	(445)	2,350	16.4%	-	357	357	-	2,707	-	(0)	233	233	-	-	-	684
2015	2,705	204	-	2,909	2,705	285	(256)	2,735	16.4%	-	174	174	-	2,909	-	(0)	221	221	-	-	-	519
2016	2,773	152	-	2,925	2,773	224	(126)	2,871	5.0%	-	54	54	-	2,925	-	(0)	326	326	-	-	-	396
2017	2,843	112	-	2,954	2,843	168	(94)	2,916	1.6%	-	38	38	-	2,954	-	(0)	448	448	-	-	-	307
2018	2,914	83	-	2,997	2,914	123	(69)	2,968	1.8%	-	30	30	-	2,997	-	(0)	581	581	-	-	-	240
2019	2,987	62	-	3,049	2,987	92	(52)	3,027	2.0%	-	21	21	-	3,049	-	(0)	724	724	-	-	-	192
2020	3,062	47	-	3,109	3,062	68	(38)	3,092	2.1%	-	17	17	-	3,109	-	(0)	874	874	-	-	-	155
2021	3,139	36	-	3,176	3,139	52	(29)	3,162	2.3%	-	14	14	-	3,176	-	(0)	1,031	1,031	-	-	-	127
2022	3,471	29	-	3,500	3,471	40	(22)	3,488	10.3%	-	11	11	-	3,500	-	(0)	1,194	1,194	-	-	-	105
2023	4,361	23	-	4,384	4,361	32	(333)	4,060	16.4%	-	324	324	-	4,384	-	(0)	1,047	1,047	-	-	-	87
2024	5,479	19	-	5,498	5,479	26	(780)	4,725	16.4%	-	773	773	-	5,498	-	(0)	444	444	-	-	-	73
2025	6,058	15	-	6,073	6,058	21	(580)	5,499	16.4%	-	574	574	-	6,073	-	(0)	12	12	0	-	0	62
	52,460	3,669	21	56,150	52,460	4,024	(4,221)	52,262		336	3,489	3,825	3	56,090	-				170	170		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 17.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,139	2,469	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,186		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	211	-	211	2,185
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	38	174	2,272
2008	1,069	371	9	1,450	1,069	325	(182)	1,212	12.6%	42	196	238	-	1,450	-	(0)	279	279	-	8	166	2,225
2009	1,172	389	9	1,570	1,172	418	(235)	1,356	11.9%	42	173	215	-	1,570	-	(0)	298	298	-	43	123	2,101
2010	1,273	419	6	1,698	1,273	435	(244)	1,464	8.0%	42	192	234	-	1,698	-	(0)	292	292	-	38	85	1,882
2011	1,374	429	4	1,807	1,374	465	(261)	1,578	7.8%	42	187	229	-	1,807	-	(0)	286	286	-	52	33	1,594
2012	1,592	401	2	1,994	1,592	473	(266)	1,799	14.0%	42	153	195	-	1,994	-	(0)	309	309	-	33	-	1,280
2013	2,000	354	-	2,353	2,000	441	(333)	2,107	17.1%	42	204	246	-	2,353	-	(0)	276	276	-	-	-	998
2014	2,513	290	-	2,803	2,513	389	(434)	2,468	17.1%	-	335	335	-	2,803	-	(0)	108	108	44	-	44	764
2015	2,779	228	2	3,009	2,779	321	(210)	2,890	17.1%	-	119	119	-	3,009	-	(0)	149	149	-	44	-	580
2016	2,849	170	-	3,019	2,849	250	(141)	2,959	2.4%	-	60	60	-	3,019	-	(0)	245	245	-	-	-	443
2017	2,922	125	-	3,046	2,922	187	(105)	3,004	1.5%	-	43	43	-	3,046	-	(0)	359	359	-	-	-	343
2018	2,996	93	-	3,089	2,996	137	(77)	3,056	1.7%	-	33	33	-	3,089	-	(0)	484	484	-	-	-	268
2019	3,072	69	-	3,141	3,072	103	(58)	3,118	2.0%	-	24	24	-	3,141	-	(0)	621	621	-	-	-	214
2020	3,151	52	-	3,203	3,151	76	(43)	3,184	2.1%	-	19	19	-	3,203	-	(0)	765	765	-	-	-	173
2021	3,231	40	-	3,272	3,231	57	(32)	3,257	2.3%	-	15	15	-	3,272	-	(0)	916	916	-	-	-	142
2022	3,574	32	-	3,606	3,574	45	(25)	3,593	10.3%	-	13	13	-	3,606	-	(0)	1,073	1,073	-	-	-	117
2023	4,492	26	-	4,518	4,492	36	(319)	4,208	17.1%	-	310	310	-	4,518	-	(0)	937	937	-	-	-	97
2024	5,645	21	-	5,666	5,645	29	(746)	4,928	17.1%	-	738	738	-	5,666	-	(0)	364	364	-	-	-	81
2025	6,244	17	-	6,261	6,244	23	(496)	5,772	17.1%	-	490	490	-	6,261	-	(0)	14	14	0	-	0	69
	53,856	4,034	44	57,935	53,856	4,448	(4,206)	54,098		336	3,439	3,775	3	57,875	-				256	256		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 13.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,781	2,445	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,309		2025 Ending Surplus / (Deficit)		7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	45	-	45	1,352
2007	963	233	2	1,199	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	0	332	332	-	45	-	1,337
2008	983	235	-	1,217	983	256	(144)	1,095	2.2%	42	81	123	-	1,217	-	0	441	441	-	-	-	1,289
2009	1,236	242	-	1,478	1,236	258	(251)	1,243	13.6%	42	193	235	-	1,478	-	0	439	439	-	-	-	1,113
2010	1,265	247	-	1,512	1,265	266	(149)	1,382	11.1%	42	89	131	-	1,512	-	0	537	537	-	-	-	924
2011	1,295	241	-	1,536	1,295	272	(153)	1,414	2.4%	42	79	121	-	1,536	-	0	646	646	-	-	-	734
2012	1,430	214	-	1,644	1,430	265	(149)	1,546	9.3%	42	56	98	-	1,644	-	0	778	778	-	-	-	561
2013	1,794	171	-	1,964	1,794	236	(274)	1,756	13.6%	42	167	209	-	1,964	-	0	802	802	-	-	-	422
2014	2,251	124	-	2,374	2,251	188	(445)	1,994	13.6%	-	381	381	-	2,374	-	0	609	609	-	-	-	322
2015	2,485	91	-	2,576	2,485	136	(357)	2,264	13.6%	-	312	312	-	2,576	-	0	474	474	-	-	-	249
2016	2,544	67	-	2,612	2,544	100	(74)	2,571	13.6%	-	41	41	-	2,612	-	0	603	603	-	-	-	196
2017	2,605	52	-	2,657	2,605	74	(42)	2,638	2.6%	-	19	19	-	2,657	-	0	754	754	-	-	-	154
2018	2,667	38	-	2,706	2,667	57	(32)	2,692	2.1%	-	13	13	-	2,706	-	0	916	916	-	-	-	125
2019	2,731	29	-	2,760	2,731	42	(24)	2,750	2.1%	-	11	11	-	2,760	-	0	1,083	1,083	-	-	-	102
2020	2,797	24	-	2,820	2,797	32	(18)	2,811	2.2%	-	9	9	-	2,820	-	0	1,255	1,255	-	-	-	84
2021	2,864	18	-	2,882	2,864	26	(15)	2,875	2.3%	-	7	7	-	2,882	-	0	1,434	1,434	-	-	-	70
2022	3,162	15	-	3,177	3,162	20	(11)	3,171	10.3%	-	6	6	-	3,177	-	0	1,618	1,618	-	-	-	59
2023	3,968	12	-	3,981	3,968	16	(384)	3,601	13.6%	-	380	380	-	3,981	-	0	1,433	1,433	-	-	-	49
2024	4,980	10	-	4,990	4,980	14	(904)	4,089	13.6%	-	901	901	-	4,990	-	0	717	717	-	-	-	41
2025	5,500	8	-	5,508	5,500	11	(867)	4,644	13.6%	-	864	864	-	5,508	-	0	7	7	0	-	0	35
	48,464	2,295	2	50,762	48,464	2,504	(4,291)	46,677		336	3,687	4,023	3	50,703	-				45	45		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 14.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,863	2,446	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,261		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	88	-	88	1,568
2007	963	267	5	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	76	11	1,551
2008	983	269	1	1,252	983	294	(165)	1,111	3.6%	42	98	140	-	1,252	-	0	389	389	-	11	-	1,497
2009	1,269	278	-	1,548	1,269	296	(292)	1,273	14.5%	42	233	275	-	1,548	-	0	345	345	-	-	-	1,295
2010	1,300	287	-	1,587	1,300	306	(172)	1,434	12.7%	42	111	153	-	1,587	-	0	417	417	-	-	-	1,075
2011	1,331	281	-	1,612	1,331	316	(177)	1,470	2.5%	42	100	142	-	1,612	-	0	499	499	-	-	-	853
2012	1,470	249	-	1,720	1,470	309	(174)	1,606	9.2%	42	72	114	-	1,720	-	0	610	610	-	-	-	652
2013	1,845	199	-	2,044	1,845	274	(281)	1,839	14.5%	42	163	205	-	2,044	-	0	631	631	-	-	-	491
2014	2,316	144	-	2,460	2,316	218	(429)	2,105	14.5%	-	354	354	-	2,460	-	0	458	458	-	-	-	375
2015	2,558	106	-	2,665	2,558	158	(306)	2,411	14.5%	-	254	254	-	2,665	-	0	375	375	-	-	-	290
2016	2,621	78	-	2,699	2,621	117	(66)	2,672	10.8%	-	27	27	-	2,699	-	0	513	513	-	-	-	227
2017	2,684	60	-	2,744	2,684	86	(48)	2,722	1.9%	-	22	22	-	2,744	-	0	658	658	-	-	-	180
2018	2,749	45	-	2,794	2,749	66	(37)	2,779	2.1%	-	16	16	-	2,794	-	0	813	813	-	-	-	145
2019	2,816	34	-	2,850	2,816	49	(28)	2,838	2.1%	-	12	12	-	2,850	-	0	975	975	-	-	-	118
2020	2,885	27	-	2,912	2,885	37	(21)	2,901	2.2%	-	11	11	-	2,912	-	0	1,141	1,141	-	-	-	97
2021	2,956	21	-	2,977	2,956	30	(17)	2,969	2.3%	-	8	8	-	2,977	-	0	1,314	1,314	-	-	-	81
2022	3,265	17	-	3,283	3,265	23	(13)	3,275	10.3%	-	7	7	-	3,283	-	0	1,493	1,493	-	-	-	68
2023	4,099	15	-	4,114	4,099	19	(368)	3,751	14.5%	-	363	363	-	4,114	-	0	1,319	1,319	-	-	-	57
2024	5,146	12	-	5,158	5,146	16	(868)	4,295	14.5%	-	864	864	-	5,158	-	0	636	636	-	-	-	48
2025	5,686	10	-	5,696	5,686	13	(782)	4,917	14.5%	-	778	778	-	5,696	-	0	8	8	0	-	0	41
	49,889	2,622	5	52,516	49,889	2,864	(4,243)	48,510		336	3,609	3,945	3	52,457	-				88	88		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 15.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,944	2,451	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,218		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	130	-	130	1,781
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,251	(6)	0	280	280	-	55	75	1,776
2008	983	303	4	1,289	983	319	(179)	1,123	4.5%	42	125	167	-	1,289	-	0	345	345	-	75	-	1,716
2009	1,303	315	-	1,618	1,303	333	(340)	1,296	15.4%	42	280	322	-	1,618	-	0	252	252	45	-	45	1,488
2010	1,335	329	2	1,666	1,335	349	(196)	1,488	14.8%	42	137	179	-	1,666	-	0	297	297	-	45	-	1,236
2011	1,367	324	-	1,691	1,367	362	(203)	1,526	2.6%	42	123	165	-	1,691	-	0	352	352	-	-	-	980
2012	1,511	286	-	1,797	1,511	356	(200)	1,667	9.2%	42	88	130	-	1,797	-	0	440	440	-	-	-	749
2013	1,897	228	-	2,125	1,897	315	(287)	1,924	15.4%	42	159	201	-	2,125	-	0	459	459	-	-	-	564
2014	2,382	165	-	2,547	2,382	251	(411)	2,221	15.4%	-	325	325	-	2,547	-	0	308	308	-	-	-	431
2015	2,632	123	-	2,754	2,632	181	(249)	2,564	15.4%	-	190	190	-	2,754	-	0	284	284	-	-	-	332
2016	2,697	90	-	2,787	2,697	135	(76)	2,756	7.5%	-	31	31	-	2,787	-	0	414	414	-	-	-	261
2017	2,763	69	-	2,832	2,763	99	(56)	2,807	1.8%	-	25	25	-	2,832	-	0	552	552	-	-	-	206
2018	2,832	52	-	2,883	2,832	76	(43)	2,865	2.1%	-	18	18	-	2,883	-	0	700	700	-	-	-	166
2019	2,902	39	-	2,941	2,902	57	(32)	2,927	2.2%	-	14	14	-	2,941	-	0	855	855	-	-	-	136
2020	2,974	31	-	3,005	2,974	43	(24)	2,993	2.2%	-	12	12	-	3,005	-	0	1,016	1,016	-	-	-	112
2021	3,047	24	-	3,072	3,047	34	(19)	3,062	2.3%	-	9	9	-	3,072	-	0	1,182	1,182	-	-	-	93
2022	3,368	20	-	3,388	3,368	27	(15)	3,380	10.4%	-	8	8	-	3,388	-	0	1,355	1,355	-	-	-	78
2023	4,230	17	-	4,247	4,230	22	(350)	3,902	15.4%	-	345	345	-	4,247	-	0	1,194	1,194	-	-	-	65
2024	5,313	14	-	5,327	5,313	18	(827)	4,504	15.4%	-	823	823	-	5,327	-	0	546	546	-	-	-	55
2025	5,872	11	-	5,883	5,872	15	(688)	5,199	15.4%	-	684	684	-	5,883	-	0	9	9	0	-	0	46
	51,313	2,949	13	54,276	51,313	3,229	(4,197)	50,346		336	3,532	3,868	3	54,217	-				176	176		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 16.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,024	2,466	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,188		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	172	-	172	1,990
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	(0)	280	280	-	50	123	2,015
2008	983	337	6	1,326	983	322	(181)	1,124	4.5%	42	160	202	-	1,326	-	(0)	312	312	-	45	78	1,950
2009	1,336	353	4	1,693	1,336	375	(404)	1,308	16.4%	42	343	385	-	1,693	-	(0)	158	158	103	-	181	1,695
2010	1,369	373	10	1,752	1,369	398	(245)	1,522	16.4%	42	188	230	-	1,752	-	(0)	153	153	-	52	129	1,411
2011	1,403	370	7	1,780	1,403	418	(235)	1,587	4.2%	42	152	194	-	1,780	-	(0)	178	178	-	84	45	1,118
2012	1,551	327	2	1,880	1,551	410	(230)	1,731	9.1%	42	107	149	-	1,880	-	(0)	243	243	-	45	-	854
2013	1,948	260	-	2,209	1,948	359	(293)	2,015	16.4%	42	152	194	-	2,209	-	(0)	260	260	-	-	-	643
2014	2,447	188	-	2,635	2,447	286	(389)	2,345	16.4%	-	290	290	-	2,635	-	(0)	136	136	-	-	-	491
2015	2,705	140	-	2,845	2,705	207	(183)	2,729	16.4%	-	116	116	-	2,845	-	(0)	179	179	-	-	-	379
2016	2,773	103	-	2,876	2,773	154	(86)	2,841	4.1%	-	35	35	-	2,876	-	(0)	301	301	-	-	-	297
2017	2,843	78	-	2,921	2,843	113	(64)	2,892	1.8%	-	29	29	-	2,921	-	(0)	431	431	-	-	-	235
2018	2,914	59	-	2,973	2,914	86	(48)	2,952	2.1%	-	21	21	-	2,973	-	(0)	571	571	-	-	-	188
2019	2,987	44	-	3,032	2,987	65	(36)	3,016	2.2%	-	16	16	-	3,032	-	(0)	719	719	-	-	-	154
2020	3,062	35	-	3,098	3,062	49	(27)	3,084	2.3%	-	14	14	-	3,098	-	(0)	873	873	-	-	-	127
2021	3,139	28	-	3,167	3,139	39	(22)	3,156	2.4%	-	11	11	-	3,167	-	(0)	1,032	1,032	-	-	-	106
2022	3,471	23	-	3,494	3,471	30	(17)	3,484	10.4%	-	9	9	-	3,494	-	(0)	1,197	1,197	-	-	-	89
2023	4,361	19	-	4,380	4,361	25	(331)	4,055	16.4%	-	325	325	-	4,380	-	(0)	1,051	1,051	-	-	-	74
2024	5,479	16	-	5,495	5,479	21	(780)	4,720	16.4%	-	775	775	-	5,495	-	(0)	445	445	-	-	-	62
2025	6,058	13	-	6,071	6,058	18	(582)	5,493	16.4%	-	578	578	-	6,071	-	(0)	10	10	0	-	0	52
	52,738	3,276	38	56,052	52,738	3,613	(4,154)	52,197		336	3,457	3,793	3	55,993	-				276	276		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 17.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,109	2,499	59	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,182		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	214	-	214	2,199
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	44	170	2,254
2008	983	372	9	1,363	983	325	(182)	1,125	4.5%	42	196	238	-	1,363	-	(0)	279	279	-	12	158	2,183
2009	1,370	390	8	1,768	1,370	418	(468)	1,320	17.3%	42	406	448	-	1,768	-	(0)	63	63	160	-	317	1,902
2010	1,404	417	17	1,838	1,404	447	(303)	1,548	17.3%	42	248	290	-	1,838	-	(0)	1	1	-	1	317	1,585
2011	1,439	416	17	1,873	1,439	477	(268)	1,649	6.5%	42	179	221	-	1,870	(3)	(3)	-	(3)	-	63	254	1,256
2012	1,592	367	13	1,972	1,592	473	(265)	1,799	9.1%	42	133	175	-	1,974	3	(0)	39	39	-	101	153	960
2013	2,000	293	8	2,300	2,000	412	(302)	2,110	17.3%	42	148	190	-	2,300	-	(0)	58	58	-	67	86	722
2014	2,513	211	5	2,728	2,513	327	(364)	2,476	17.3%	-	220	220	-	2,696	(32)	(32)	-	(32)	57	-	143	552
2015	2,779	158	7	2,944	2,779	240	(135)	2,884	16.5%	-	92	92	-	2,976	32	(0)	66	66	-	123	19	425
2016	2,849	116	1	2,966	2,849	174	(98)	2,926	1.4%	-	40	40	-	2,966	-	(0)	179	179	-	19	-	333
2017	2,922	88	-	3,010	2,922	127	(71)	2,977	1.8%	-	32	32	-	3,010	-	(0)	301	301	-	-	-	263
2018	2,996	66	-	3,063	2,996	97	(54)	3,039	2.1%	-	24	24	-	3,063	-	(0)	433	433	-	-	-	211
2019	3,072	50	-	3,123	3,072	73	(41)	3,105	2.2%	-	18	18	-	3,123	-	(0)	574	574	-	-	-	172
2020	3,151	39	-	3,190	3,151	55	(31)	3,175	2.3%	-	15	15	-	3,190	-	(0)	720	720	-	-	-	142
2021	3,231	31	-	3,262	3,231	43	(24)	3,250	2.4%	-	12	12	-	3,262	-	(0)	873	873	-	-	-	119
2022	3,574	25	-	3,599	3,574	34	(19)	3,589	10.4%	-	11	11	-	3,599	-	(0)	1,030	1,030	-	-	-	99
2023	4,492	22	-	4,513	4,492	28	(310)	4,210	17.3%	-	303	303	-	4,513	-	(0)	898	898	-	-	-	83
2024	5,645	18	-	5,663	5,645	24	(730)	4,939	17.3%	-	724	724	-	5,663	-	(0)	338	338	-	-	-	69
2025	6,244	14	-	6,259	6,244	20	(470)	5,794	17.3%	-	464	464	-	6,259	-	(0)	12	12	0	-	0	59
	54,163	3,602	96	57,861	54,163	4,032	(4,135)	54,060		336	3,403	3,739	3	57,801	-				430	430		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 14.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,817	2,444	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,349		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	43	-	43	1,344
2007	963	233	2	1,198	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	(0)	332	332	-	43	-	1,362
2008	1,038	235	-	1,273	1,038	256	(144)	1,150	7.3%	42	80	122	-	1,273	-	(0)	441	441	-	-	-	1,341
2009	1,059	242	-	1,302	1,059	258	(145)	1,173	2.0%	42	87	129	-	1,302	-	(0)	545	545	-	-	-	1,305
2010	1,182	251	-	1,433	1,182	266	(150)	1,299	10.8%	42	92	134	-	1,433	-	(0)	644	644	-	-	-	1,188
2011	1,208	254	-	1,463	1,208	276	(155)	1,329	2.3%	42	91	133	-	1,463	-	(0)	745	745	-	-	-	1,050
2012	1,430	247	-	1,677	1,430	280	(187)	1,523	14.6%	42	112	154	-	1,677	-	(0)	825	825	-	-	-	859
2013	1,794	227	-	2,021	1,794	272	(322)	1,744	14.6%	42	234	276	-	2,021	-	(0)	783	783	-	-	-	679
2014	2,251	195	-	2,445	2,251	250	(502)	1,998	14.6%	-	447	447	-	2,445	-	(0)	523	523	-	-	-	523
2015	2,485	156	-	2,641	2,485	214	(410)	2,289	14.6%	-	352	352	-	2,641	-	(0)	346	346	-	-	-	397
2016	2,544	119	-	2,664	2,544	171	(96)	2,619	14.4%	-	44	44	-	2,664	-	(0)	465	465	-	-	-	300
2017	2,605	87	-	2,692	2,605	131	(74)	2,663	1.6%	-	29	29	-	2,692	-	(0)	602	602	-	-	-	230
2018	2,667	64	-	2,731	2,667	95	(54)	2,709	1.7%	-	22	22	-	2,731	-	(0)	748	748	-	-	-	179
2019	2,731	47	-	2,778	2,731	71	(40)	2,762	2.0%	-	16	16	-	2,778	-	(0)	903	903	-	-	-	142
2020	2,797	36	-	2,832	2,797	52	(29)	2,819	2.1%	-	13	13	-	2,832	-	(0)	1,064	1,064	-	-	-	114
2021	2,864	28	-	2,891	2,864	40	(22)	2,881	2.2%	-	10	10	-	2,891	-	(0)	1,233	1,233	-	-	-	92
2022	3,162	21	-	3,184	3,162	30	(17)	3,176	10.2%	-	8	8	-	3,184	-	(0)	1,407	1,407	-	-	-	76
2023	3,968	17	-	3,985	3,968	23	(354)	3,638	14.6%	-	348	348	-	3,985	-	(0)	1,246	1,246	-	-	-	63
2024	4,980	13	-	4,993	4,980	19	(832)	4,167	14.6%	-	826	826	-	4,993	-	(0)	597	597	-	-	-	53
2025	5,500	11	-	5,511	5,500	15	(741)	4,774	14.6%	-	737	737	-	5,511	-	(0)	9	9	0	-	0	44
	48,173	2,705	2	50,881	48,173	2,952	(4,271)	46,854		336	3,628	3,964	3	50,821	-				43	43		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 15.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,905	2,445	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,307		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	86	-	86	1,559
2007	963	267	5	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	(0)	299	299	-	69	17	1,579
2008	1,046	269	1	1,315	1,046	294	(165)	1,175	9.5%	42	98	140	-	1,315	-	(0)	389	389	-	17	-	1,557
2009	1,068	278	-	1,346	1,068	296	(166)	1,197	1.9%	42	107	149	-	1,346	-	(0)	471	471	-	-	-	1,514
2010	1,205	291	-	1,496	1,205	306	(172)	1,339	11.9%	42	115	157	-	1,496	-	(0)	544	544	-	-	-	1,378
2011	1,232	297	-	1,529	1,232	320	(180)	1,373	2.5%	42	114	156	-	1,529	-	(0)	618	618	-	-	-	1,215
2012	1,470	287	-	1,757	1,470	326	(211)	1,586	15.5%	42	130	172	-	1,757	-	(0)	676	676	-	-	-	993
2013	1,845	263	-	2,108	1,845	316	(329)	1,832	15.5%	42	235	277	-	2,108	-	(0)	628	628	-	-	-	785
2014	2,316	225	-	2,541	2,316	289	(489)	2,116	15.5%	-	425	425	-	2,541	-	(0)	384	384	-	-	-	604
2015	2,558	180	-	2,739	2,558	247	(361)	2,445	15.5%	-	294	294	-	2,739	-	(0)	259	259	-	-	-	458
2016	2,621	138	-	2,758	2,621	198	(111)	2,707	10.8%	-	51	51	-	2,758	-	(0)	368	368	-	-	-	346
2017	2,684	100	-	2,784	2,684	152	(85)	2,751	1.6%	-	33	33	-	2,784	-	(0)	496	496	-	-	-	266
2018	2,749	74	-	2,824	2,749	110	(62)	2,798	1.7%	-	26	26	-	2,824	-	(0)	634	634	-	-	-	207
2019	2,816	54	-	2,871	2,816	82	(46)	2,852	1.9%	-	18	18	-	2,871	-	(0)	783	783	-	-	-	164
2020	2,885	41	-	2,926	2,885	60	(33)	2,911	2.1%	-	15	15	-	2,926	-	(0)	937	937	-	-	-	131
2021	2,956	32	-	2,987	2,956	46	(26)	2,975	2.2%	-	12	12	-	2,987	-	(0)	1,099	1,099	-	-	-	107
2022	3,265	25	-	3,290	3,265	35	(20)	3,280	10.3%	-	9	9	-	3,290	-	(0)	1,266	1,266	-	-	-	88
2023	4,099	20	-	4,119	4,099	27	(337)	3,790	15.5%	-	329	329	-	4,119	-	(0)	1,118	1,118	-	-	-	73
2024	5,146	16	-	5,162	5,146	22	(790)	4,378	15.5%	-	784	784	-	5,162	-	(0)	506	506	-	-	-	61
2025	5,686	13	-	5,698	5,686	17	(646)	5,057	15.5%	-	641	641	-	5,698	-	(0)	10	10	0	-	0	51
	49,556	3,091	5	52,652	49,556	3,376	(4,229)	48,704		336	3,551	3,887	3	52,593	-				86	86		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 16.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,990	2,449	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,268		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	128	-	128	1,771
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,250	(6)	0	280	280	-	47	82	1,808
2008	1,054	303	4	1,361	1,054	320	(179)	1,194	11.2%	42	125	167	-	1,361	-	0	346	346	-	71	11	1,783
2009	1,076	315	1	1,392	1,076	334	(187)	1,222	2.4%	42	128	170	-	1,392	-	0	405	405	-	11	-	1,734
2010	1,228	334	-	1,561	1,228	347	(195)	1,380	12.9%	42	139	181	-	1,561	-	0	452	452	-	-	-	1,576
2011	1,256	342	-	1,597	1,256	367	(206)	1,417	2.7%	42	139	181	-	1,597	-	0	497	497	-	-	-	1,387
2012	1,511	329	-	1,839	1,511	376	(237)	1,649	16.4%	42	148	190	-	1,839	-	0	531	531	-	-	-	1,133
2013	1,897	301	-	2,198	1,897	362	(339)	1,920	16.4%	42	236	278	-	2,198	-	0	476	476	-	-	-	894
2014	2,382	256	-	2,638	2,382	331	(478)	2,235	16.4%	-	403	403	-	2,638	-	0	248	248	-	-	-	688
2015	2,632	206	-	2,837	2,632	282	(313)	2,601	16.4%	-	236	236	-	2,837	-	0	175	175	-	-	-	522
2016	2,697	157	-	2,854	2,697	226	(127)	2,796	7.5%	-	58	58	-	2,854	-	0	274	274	-	-	-	395
2017	2,763	114	-	2,877	2,763	173	(97)	2,839	1.5%	-	38	38	-	2,877	-	0	394	394	-	-	-	303
2018	2,832	85	-	2,916	2,832	125	(70)	2,887	1.7%	-	30	30	-	2,916	-	0	524	524	-	-	-	235
2019	2,902	62	-	2,964	2,902	93	(52)	2,943	1.9%	-	21	21	-	2,964	-	0	665	665	-	-	-	187
2020	2,974	47	-	3,021	2,974	68	(38)	3,003	2.1%	-	17	17	-	3,021	-	0	813	813	-	-	-	150
2021	3,047	36	-	3,084	3,047	52	(29)	3,070	2.2%	-	13	13	-	3,084	-	0	968	968	-	-	-	122
2022	3,368	28	-	3,396	3,368	40	(22)	3,385	10.3%	-	11	11	-	3,396	-	0	1,129	1,129	-	-	-	100
2023	4,230	22	-	4,253	4,230	31	(320)	3,941	16.4%	-	312	312	-	4,253	-	0	993	993	-	-	-	83
2024	5,313	18	-	5,331	5,313	25	(750)	4,587	16.4%	-	743	743	-	5,331	-	0	417	417	-	-	-	69
2025	5,872	14	-	5,886	5,872	20	(552)	5,340	16.4%	-	547	547	-	5,886	-	0	12	12	0	-	0	58
	50,939	3,476	12	54,427	50,939	3,804	(4,192)	50,551		336	3,478	3,814	3	54,368	-				128	128		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 17.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,073	2,457	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,236		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	170	-	170	1,979
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	0	280	280	-	40	130	2,050
2008	1,062	337	7	1,405	1,062	322	(181)	1,203	11.9%	42	160	202	-	1,405	-	0	312	312	-	38	92	2,024
2009	1,084	353	5	1,442	1,084	376	(211)	1,249	3.8%	42	151	193	-	1,442	-	0	351	351	-	49	43	1,969
2010	1,251	378	2	1,631	1,251	391	(219)	1,422	13.8%	42	167	209	-	1,631	-	0	369	369	-	43	-	1,788
2011	1,280	390	-	1,669	1,280	416	(233)	1,462	2.8%	42	165	207	-	1,669	-	0	384	384	-	-	-	1,570
2012	1,551	374	-	1,925	1,551	429	(266)	1,713	17.2%	42	169	211	-	1,925	-	0	393	393	-	-	-	1,280
2013	1,948	341	-	2,289	1,948	411	(351)	2,008	17.2%	42	239	281	-	2,289	-	0	330	330	-	-	-	1,010
2014	2,447	289	-	2,737	2,447	375	(468)	2,354	17.2%	-	383	383	-	2,737	-	0	116	116	39	-	39	777
2015	2,705	232	2	2,940	2,705	321	(267)	2,759	17.2%	-	181	181	-	2,940	-	0	95	95	-	16	23	589
2016	2,773	177	1	2,951	2,773	257	(144)	2,886	4.6%	-	66	66	-	2,951	-	0	184	184	-	23	-	446
2017	2,843	128	-	2,971	2,843	195	(109)	2,928	1.5%	-	43	43	-	2,971	-	0	296	296	-	-	-	343
2018	2,914	96	-	3,010	2,914	141	(79)	2,976	1.6%	-	34	34	-	3,010	-	0	418	418	-	-	-	266
2019	2,987	70	-	3,057	2,987	106	(59)	3,033	1.9%	-	23	23	-	3,057	-	0	552	552	-	-	-	211
2020	3,062	53	-	3,115	3,062	77	(43)	3,096	2.1%	-	19	19	-	3,115	-	0	693	693	-	-	-	169
2021	3,139	41	-	3,180	3,139	58	(33)	3,165	2.2%	-	15	15	-	3,180	-	0	842	842	-	-	-	138
2022	3,471	32	-	3,503	3,471	45	(25)	3,491	10.3%	-	12	12	-	3,503	-	0	996	996	-	-	-	113
2023	4,361	26	-	4,386	4,361	35	(305)	4,091	17.2%	-	295	295	-	4,386	-	0	871	871	-	-	-	94
2024	5,479	20	-	5,499	5,479	28	(712)	4,795	17.2%	-	704	704	-	5,499	-	0	329	329	-	-	-	78
2025	6,058	16	-	6,074	6,058	22	(460)	5,620	17.2%	-	454	454	-	6,074	-	0	13	13	0	-	0	66
	52,322	3,861	26	56,209	52,322	4,240	(4,167)	52,395		336	3,417	3,753	3	56,150	-				209	209		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 17.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,160	2,479	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,221		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	212	-	212	2,187
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	34	178	2,293
2008	1,069	371	9	1,450	1,069	325	(182)	1,212	12.6%	42	196	238	-	1,450	-	(0)	279	279	-	4	174	2,264
2009	1,092	390	9	1,491	1,092	419	(235)	1,276	5.3%	42	174	216	-	1,491	-	(0)	297	297	-	29	144	2,204
2010	1,273	422	8	1,703	1,273	438	(246)	1,465	14.9%	42	196	238	-	1,703	-	(0)	288	288	-	32	112	2,000
2011	1,303	438	6	1,747	1,303	471	(264)	1,510	3.0%	42	195	237	-	1,747	-	(0)	275	275	-	36	76	1,753
2012	1,592	419	4	2,014	1,592	486	(298)	1,780	17.9%	42	192	234	-	2,014	-	(0)	259	259	-	50	26	1,428
2013	2,000	381	1	2,382	2,000	462	(363)	2,099	17.9%	42	241	283	-	2,382	-	(0)	189	189	10	-	36	1,126
2014	2,513	323	2	2,837	2,513	421	(459)	2,475	17.9%	-	354	354	-	2,829	(8)	(8)	-	(8)	145	-	182	866
2015	2,779	259	10	3,047	2,779	365	(226)	2,918	17.9%	-	137	137	-	3,055	8	0	23	23	-	73	109	657
2016	2,849	197	6	3,052	2,849	291	(163)	2,977	2.0%	-	75	75	-	3,052	-	0	103	103	-	109	-	497
2017	2,922	143	-	3,064	2,922	217	(122)	3,017	1.3%	-	47	47	-	3,064	-	0	207	207	-	-	-	382
2018	2,996	107	-	3,103	2,996	157	(88)	3,065	1.6%	-	38	38	-	3,103	-	0	321	321	-	-	-	296
2019	3,072	78	-	3,150	3,072	118	(66)	3,124	1.9%	-	26	26	-	3,150	-	0	449	449	-	-	-	235
2020	3,151	59	-	3,210	3,151	86	(48)	3,188	2.1%	-	21	21	-	3,210	-	0	584	584	-	-	-	189
2021	3,231	45	-	3,277	3,231	65	(36)	3,260	2.2%	-	17	17	-	3,277	-	0	726	726	-	-	-	154
2022	3,574	35	-	3,609	3,574	50	(28)	3,596	10.3%	-	14	14	-	3,609	-	0	874	874	-	-	-	126
2023	4,492	29	-	4,520	4,492	39	(291)	4,240	17.9%	-	281	281	-	4,520	-	0	759	759	-	-	-	104
2024	5,645	23	-	5,668	5,645	31	(678)	4,999	17.9%	-	669	669	-	5,668	-	0	248	248	-	-	-	87
2025	6,244	18	-	6,262	6,244	25	(375)	5,894	17.9%	-	368	368	-	6,262	-	0	15	15	0	-	0	73
	53,705	4,246	66	58,017	53,705	4,703	(4,168)	54,240		336	3,379	3,715	3	57,957	-				367	367		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 16.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,797	2,444	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,327		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	39	-	39	1,325
2007	963	233	2	1,198	963	108	-	1,072	0.2%	42	79	121	0	1,192	(6)	0	332	332	-	39	-	1,311
2008	1,110	234	-	1,343	1,110	256	(144)	1,222	14.0%	42	79	121	-	1,343	-	0	442	442	-	-	-	1,241
2009	1,134	238	-	1,372	1,134	257	(144)	1,247	2.0%	42	84	126	-	1,372	-	0	549	549	-	-	-	1,144
2010	1,159	240	-	1,399	1,159	262	(147)	1,274	2.2%	42	83	125	-	1,399	-	0	657	657	-	-	-	1,027
2011	1,295	234	-	1,529	1,295	264	(264)	1,295	1.7%	42	192	234	-	1,529	-	0	658	658	-	-	-	847
2012	1,430	216	-	1,646	1,430	257	(257)	1,430	10.4%	42	174	216	-	1,646	-	0	673	673	-	-	-	678
2013	1,794	188	-	1,982	1,794	237	(361)	1,670	16.8%	42	269	311	-	1,982	-	0	590	590	-	-	-	527
2014	2,251	155	-	2,406	2,251	207	(506)	1,952	16.8%	-	454	454	-	2,406	-	0	315	315	-	-	-	402
2015	2,485	119	-	2,604	2,485	171	(376)	2,280	16.8%	-	324	324	-	2,604	-	0	157	157	-	-	-	306
2016	2,544	88	-	2,632	2,544	131	(131)	2,544	11.6%	-	88	88	-	2,632	-	0	226	226	-	-	-	235
2017	2,605	65	-	2,670	2,605	96	(96)	2,605	2.4%	-	65	65	-	2,670	-	0	317	317	-	-	-	183
2018	2,667	48	-	2,715	2,667	72	(72)	2,667	2.4%	-	48	48	-	2,715	-	0	425	425	-	-	-	145
2019	2,731	37	-	2,768	2,731	53	(53)	2,731	2.4%	-	37	37	-	2,768	-	0	547	547	-	-	-	117
2020	2,797	28	-	2,824	2,797	40	(40)	2,797	2.4%	-	28	28	-	2,824	-	0	680	680	-	-	-	95
2021	2,864	22	-	2,885	2,864	31	(31)	2,864	2.4%	-	22	22	-	2,885	-	0	821	821	-	-	-	78
2022	3,162	18	-	3,180	3,162	24	(24)	3,162	10.4%	-	18	18	-	3,180	-	0	968	968	-	-	-	65
2023	3,968	14	-	3,982	3,968	20	(294)	3,694	16.8%	-	288	288	-	3,982	-	0	850	850	-	-	-	54
2024	4,980	11	-	4,991	4,980	15	(679)	4,316	16.8%	-	675	675	-	4,991	-	0	336	336	-	-	-	46
2025	5,500	9	-	5,509	5,500	12	(470)	5,042	16.8%	-	467	467	-	5,509	-	0	8	8	0	-	0	39
	48,383	2,419	2	50,804	48,383	2,639	(4,089)	46,933		336	3,473	3,809	3	50,745	-				39	39		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 18.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,883	2,447	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,283		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	82	-	82	1,537
2007	963	267	4	1,234	963	109	-	1,073	0.3%	42	113	155	0	1,228	(6)	(0)	299	299	-	76	6	1,522
2008	1,128	268	0	1,396	1,128	294	(165)	1,256	17.1%	42	97	139	-	1,396	-	(0)	390	390	-	6	-	1,442
2009	1,153	274	-	1,427	1,153	294	(165)	1,282	2.0%	42	103	145	-	1,427	-	(0)	476	476	-	-	-	1,331
2010	1,178	279	-	1,458	1,178	302	(169)	1,311	2.2%	42	105	147	-	1,458	-	(0)	559	559	-	-	-	1,193
2011	1,331	273	-	1,604	1,331	307	(307)	1,331	1.6%	42	231	273	-	1,604	-	(0)	516	516	-	-	-	983
2012	1,470	251	-	1,721	1,470	301	(301)	1,470	10.4%	42	209	251	-	1,721	-	(0)	490	490	-	-	-	786
2013	1,845	218	-	2,064	1,845	276	(383)	1,738	18.2%	42	283	325	-	2,064	-	(0)	386	386	-	-	-	611
2014	2,316	180	-	2,496	2,316	240	(501)	2,055	18.2%	-	441	441	-	2,496	-	(0)	117	117	-	-	-	466
2015	2,558	138	-	2,697	2,558	198	(326)	2,430	18.2%	-	267	267	-	2,697	-	(0)	9	9	62	-	62	354
2016	2,621	102	3	2,725	2,621	156	(156)	2,621	7.8%	-	105	105	-	2,725	-	(0)	57	57	-	62	-	273
2017	2,684	75	-	2,760	2,684	112	(112)	2,684	2.4%	-	75	75	-	2,760	-	(0)	131	131	-	-	-	213
2018	2,749	56	-	2,805	2,749	83	(83)	2,749	2.4%	-	56	56	-	2,805	-	(0)	224	224	-	-	-	168
2019	2,816	42	-	2,859	2,816	61	(61)	2,816	2.4%	-	42	42	-	2,859	-	(0)	332	332	-	-	-	135
2020	2,885	32	-	2,917	2,885	47	(47)	2,885	2.4%	-	32	32	-	2,917	-	(0)	452	452	-	-	-	110
2021	2,956	25	-	2,981	2,956	35	(35)	2,956	2.4%	-	25	25	-	2,981	-	(0)	580	580	-	-	-	91
2022	3,265	21	-	3,286	3,265	28	(28)	3,265	10.5%	-	21	21	-	3,286	-	(0)	715	715	-	-	-	75
2023	4,099	16	-	4,115	4,099	23	(261)	3,860	18.2%	-	255	255	-	4,115	-	(0)	619	619	-	-	-	63
2024	5,146	13	-	5,159	5,146	18	(600)	4,564	18.2%	-	595	595	-	5,159	-	(0)	177	177	-	-	-	53
2025	5,686	11	-	5,697	5,686	14	(304)	5,397	18.2%	-	300	300	-	5,697	-	(0)	9	9	0	-	0	45
	49,796	2,764	8	52,568	49,796	3,022	(4,004)	48,814		336	3,356	3,692	3	52,508	-				144	144		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 19.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,970	2,457	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,253		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	123	-	123	1,746
2007	963	286	6	1,256	963	111	-	1,074	0.4%	42	134	176	0	1,250	(6)	(0)	280	280	-	54	69	1,743
2008	1,146	302	4	1,451	1,146	319	(181)	1,284	19.6%	42	125	167	-	1,451	-	(0)	345	345	-	69	-	1,653
2009	1,171	311	-	1,482	1,171	332	(186)	1,317	2.6%	42	123	165	-	1,482	-	(0)	409	409	-	-	-	1,528
2010	1,198	320	-	1,518	1,198	342	(192)	1,348	2.3%	42	129	171	-	1,518	-	(0)	466	466	-	-	-	1,369
2011	1,367	315	-	1,682	1,367	352	(352)	1,367	1.5%	42	273	315	-	1,682	-	(0)	377	377	-	-	-	1,126
2012	1,511	288	-	1,799	1,511	347	(347)	1,511	10.5%	42	246	288	-	1,799	-	(0)	309	309	-	-	-	899
2013	1,897	250	-	2,147	1,897	317	(407)	1,806	19.6%	42	299	341	-	2,147	-	(0)	182	182	-	-	-	699
2014	2,382	206	-	2,587	2,382	275	(497)	2,160	19.6%	-	346	346	-	2,506	(81)	(81)	-	(81)	188	-	188	533
2015	2,632	158	10	2,800	2,632	237	(286)	2,583	19.6%	-	157	157	-	2,740	(59)	(141)	-	(141)	34	-	222	405
2016	2,697	116	12	2,824	2,697	187	(187)	2,697	4.4%	-	153	153	-	2,850	26	(115)	-	(115)	-	44	178	312
2017	2,763	86	9	2,859	2,763	138	(138)	2,763	2.5%	-	150	150	-	2,913	54	(61)	-	(61)	-	68	110	243
2018	2,832	64	6	2,901	2,832	101	(101)	2,832	2.5%	-	131	131	-	2,963	61	(0)	15	15	-	86	23	193
2019	2,902	49	1	2,952	2,902	72	(72)	2,902	2.5%	-	50	50	-	2,952	-	(0)	108	108	-	23	-	154
2020	2,974	37	-	3,010	2,974	53	(53)	2,974	2.5%	-	37	37	-	3,010	-	(0)	214	214	-	-	-	126
2021	3,047	29	-	3,076	3,047	40	(40)	3,047	2.5%	-	29	29	-	3,076	-	(0)	330	330	-	-	-	104
2022	3,368	24	-	3,392	3,368	32	(32)	3,368	10.5%	-	24	24	-	3,392	-	(0)	452	452	-	-	-	86
2023	4,230	19	-	4,249	4,230	26	(229)	4,027	19.6%	-	221	221	-	4,249	-	(0)	379	379	-	-	-	71
2024	5,313	15	-	5,328	5,313	21	(517)	4,816	19.6%	-	512	512	-	5,328	-	(0)	10	10	2	-	2	60
2025	5,872	12	0	5,884	5,872	17	(130)	5,759	19.6%	-	126	126	-	5,884	-	(0)	10	10	-	2	0	51
	51,209	3,109	48	54,365	51,209	3,442	(3,946)	50,704		336	3,263	3,599	3	54,306	-				347	347		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 21.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,061	2,471	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,233		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	164	-	164	1,951
2007	963	286	9	1,258	963	112	-	1,075	0.5%	42	135	177	0	1,252	(6)	(0)	280	280	-	49	116	1,978
2008	1,164	336	6	1,506	1,164	321	(180)	1,305	21.4%	42	159	201	-	1,506	-	(0)	313	313	-	53	62	1,880
2009	1,190	348	3	1,541	1,190	373	(209)	1,354	3.8%	42	145	187	-	1,541	-	(0)	356	356	-	62	-	1,740
2010	1,217	363	-	1,581	1,217	382	(215)	1,385	2.3%	42	154	196	-	1,581	-	(0)	386	386	-	-	-	1,557
2011	1,403	360	-	1,764	1,403	400	(400)	1,403	1.3%	42	318	360	-	1,764	-	(0)	249	249	7	-	7	1,280
2012	1,551	328	0	1,880	1,551	397	(397)	1,551	10.5%	42	287	329	-	1,880	-	(0)	135	135	62	-	69	1,021
2013	1,948	285	4	2,237	1,948	365	(430)	1,884	21.4%	42	303	345	-	2,228	(9)	(9)	-	(9)	98	-	167	793
2014	2,447	233	9	2,689	2,447	323	(483)	2,287	21.4%	-	163	163	-	2,450	(239)	(248)	-	(248)	202	-	369	605
2015	2,705	180	19	2,904	2,705	278	(278)	2,705	18.3%	-	158	158	-	2,863	(41)	(289)	-	(289)	12	-	381	459
2016	2,773	132	20	2,925	2,773	220	(220)	2,773	2.5%	-	154	154	-	2,927	2	(287)	-	(287)	-	23	357	354
2017	2,843	97	19	2,959	2,843	166	(166)	2,843	2.5%	-	150	150	-	2,992	34	(253)	-	(253)	-	49	308	276
2018	2,914	73	16	3,003	2,914	125	(125)	2,914	2.5%	-	146	146	-	3,060	57	(196)	-	(196)	-	69	239	218
2019	2,987	55	13	3,055	2,987	94	(94)	2,987	2.5%	-	143	143	-	3,130	75	(120)	-	(120)	-	84	155	175
2020	3,062	41	8	3,112	3,062	70	(70)	3,062	2.5%	-	140	140	-	3,202	90	(30)	-	(30)	-	97	59	143
2021	3,139	33	3	3,175	3,139	49	(49)	3,139	2.5%	-	66	66	-	3,205	30	(0)	71	71	-	59	-	118
2022	3,471	27	-	3,498	3,471	36	(36)	3,471	10.6%	-	27	27	-	3,498	-	(0)	180	180	-	-	-	97
2023	4,361	21	-	4,382	4,361	29	(176)	4,215	21.4%	-	167	167	-	4,382	-	(0)	150	150	-	-	-	81
2024	5,479	17	-	5,496	5,479	23	(384)	5,118	21.4%	-	284	284	-	5,402	(94)	(94)	-	(94)	108	-	108	68
2025	6,058	14	6	6,078	6,058	25	(25)	6,058	18.4%	-	114	114	-	6,172	94	(0)	12	12	-	108	0	58
	52,622	3,453	134	56,209	52,622	3,912	(3,936)	52,598		336	3,212	3,548	3	56,149	-				653	653		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 24.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,159	2,494	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,229		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	206	-	206	2,156
2007	963	286	11	1,260	963	113	-	1,076	0.6%	42	136	178	0	1,254	(6)	0	281	281	-	43	162	2,214
2008	1,182	370	9	1,561	1,182	324	(182)	1,324	23.1%	42	194	236	-	1,561	-	0	280	280	-	21	141	2,106
2009	1,209	385	7	1,601	1,209	415	(233)	1,391	5.1%	42	168	210	-	1,601	-	0	302	302	-	53	88	1,952
2010	1,237	406	5	1,648	1,237	428	(240)	1,425	2.4%	42	181	223	-	1,648	-	0	306	306	-	45	43	1,746
2011	1,439	406	2	1,847	1,439	449	(449)	1,439	1.0%	42	366	408	-	1,847	-	0	120	120	123	-	166	1,434
2012	1,592	369	9	1,969	1,592	456	(456)	1,592	10.6%	42	295	337	-	1,928	(41)	(41)	-	(41)	103	-	270	1,143
2013	2,000	320	14	2,333	2,000	421	(446)	1,975	24.1%	42	169	211	-	2,186	(148)	(189)	-	(189)	97	-	366	887
2014	2,513	261	19	2,793	2,513	373	(435)	2,451	24.1%	-	163	163	-	2,614	(179)	(368)	-	(368)	136	-	503	677
2015	2,779	201	26	3,006	2,779	316	(316)	2,779	13.4%	-	159	159	-	2,937	(69)	(437)	-	(437)	36	-	539	514
2016	2,849	147	28	3,025	2,849	252	(252)	2,849	2.5%	-	154	154	-	3,003	(22)	(458)	-	(458)	-	2	537	395
2017	2,922	109	28	3,059	2,922	193	(193)	2,922	2.5%	-	150	150	-	3,072	13	(445)	-	(445)	-	31	507	309
2018	2,996	82	27	3,104	2,996	149	(149)	2,996	2.5%	-	147	147	-	3,143	38	(406)	-	(406)	-	51	455	244
2019	3,072	62	24	3,158	3,072	116	(116)	3,072	2.5%	-	143	143	-	3,216	57	(349)	-	(349)	-	67	388	195
2020	3,151	46	20	3,217	3,151	90	(90)	3,151	2.6%	-	140	140	-	3,291	74	(276)	-	(276)	-	81	307	160
2021	3,231	36	16	3,284	3,231	68	(68)	3,231	2.6%	-	137	137	-	3,368	84	(191)	-	(191)	-	90	217	132
2022	3,574	30	11	3,615	3,574	53	(53)	3,574	10.6%	-	134	134	-	3,708	93	(98)	-	(98)	-	97	120	109
2023	4,492	24	6	4,522	4,492	40	(97)	4,435	24.1%	-	131	131	-	4,566	44	(55)	-	(55)	-	48	73	91
2024	5,645	19	4	5,669	5,645	30	(173)	5,503	24.1%	-	128	128	-	5,632	(37)	(92)	-	(92)	34	-	107	76
2025	6,244	16	6	6,265	6,244	27	(27)	6,244	13.5%	-	113	113	-	6,357	92	(0)	13	13	-	107	0	64
	54,035	3,797	273	58,104	54,035	4,440	(3,976)	54,498		336	3,208	3,544	3	58,045	-				736	736		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 18.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,847	2,443	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,383		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	46	-	46	1,360
2007	963	233	2	1,199	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	(0)	332	332	-	46	-	1,401
2008	983	236	-	1,218	983	256	(144)	1,095	2.2%	42	81	123	-	1,218	-	(0)	440	440	-	-	-	1,429
2009	1,002	245	-	1,247	1,002	259	(145)	1,116	1.9%	42	90	132	-	1,247	-	(0)	541	541	-	-	-	1,440
2010	1,159	259	-	1,418	1,159	270	(151)	1,277	14.5%	42	99	141	-	1,418	-	(0)	634	634	-	-	-	1,370
2011	1,184	272	-	1,456	1,184	285	(160)	1,309	2.5%	42	105	147	-	1,456	-	(0)	720	720	-	-	-	1,264
2012	1,305	276	-	1,581	1,305	299	(168)	1,436	9.7%	42	103	145	-	1,581	-	(0)	809	809	-	-	-	1,131
2013	1,794	266	-	2,060	1,794	303	(401)	1,696	18.1%	42	321	363	-	2,060	-	(0)	680	680	-	-	-	926
2014	2,251	241	-	2,492	2,251	292	(539)	2,004	18.1%	-	488	488	-	2,492	-	(0)	375	375	-	-	-	735
2015	2,485	207	-	2,693	2,485	265	(384)	2,366	18.1%	-	326	326	-	2,693	-	(0)	217	217	-	-	-	569
2016	2,544	172	-	2,716	2,544	228	(228)	2,544	7.5%	-	172	172	-	2,716	-	(0)	204	204	-	-	-	429
2017	2,605	132	-	2,737	2,605	189	(189)	2,605	2.4%	-	132	132	-	2,737	-	(0)	227	227	-	-	-	322
2018	2,667	95	-	2,763	2,667	145	(145)	2,667	2.4%	-	95	95	-	2,763	-	(0)	285	285	-	-	-	245
2019	2,731	69	-	2,800	2,731	105	(105)	2,731	2.4%	-	69	69	-	2,800	-	(0)	368	368	-	-	-	189
2020	2,797	51	-	2,848	2,797	76	(76)	2,797	2.4%	-	51	51	-	2,848	-	(0)	471	471	-	-	-	149
2021	2,864	39	-	2,903	2,864	56	(56)	2,864	2.4%	-	39	39	-	2,903	-	(0)	586	586	-	-	-	118
2022	3,162	29	-	3,191	3,162	43	(43)	3,162	10.4%	-	29	29	-	3,191	-	(0)	714	714	-	-	-	95
2023	3,968	22	-	3,991	3,968	32	(265)	3,735	18.1%	-	256	256	-	3,991	-	(0)	617	617	-	-	-	78
2024	4,980	18	-	4,998	4,980	24	(593)	4,411	18.1%	-	587	587	-	4,998	-	(0)	182	182	-	-	-	65
2025	5,500	14	-	5,514	5,500	20	(310)	5,210	18.1%	-	304	304	-	5,514	-	(0)	11	11	0	-	0	54
	47,889	3,098	2	50,989	47,889	3,381	(4,103)	47,167		336	3,425	3,761	3	50,930	-				46	46		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 19.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,940	2,448	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,351		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	90	-	90	1,577
2007	963	267	5	1,235	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	63	26	1,625
2008	983	270	1	1,253	983	295	(165)	1,112	3.6%	42	100	142	-	1,253	-	0	389	389	-	26	-	1,657
2009	1,002	282	-	1,284	1,002	296	(166)	1,132	1.8%	42	110	152	-	1,284	-	0	467	467	-	-	-	1,669
2010	1,178	301	-	1,479	1,178	310	(174)	1,314	16.1%	42	123	165	-	1,479	-	0	533	533	-	-	-	1,586
2011	1,204	317	-	1,521	1,204	331	(186)	1,350	2.7%	42	129	171	-	1,521	-	0	590	590	-	-	-	1,460
2012	1,328	320	-	1,647	1,328	348	(195)	1,481	9.7%	42	125	167	-	1,647	-	0	652	652	-	-	-	1,304
2013	1,845	307	-	2,153	1,845	352	(427)	1,770	19.6%	42	341	383	-	2,153	-	0	497	497	-	-	-	1,066
2014	2,316	278	-	2,594	2,316	338	(538)	2,116	19.6%	-	477	477	-	2,594	-	0	196	196	-	-	-	847
2015	2,558	239	-	2,798	2,558	306	(333)	2,530	19.6%	-	267	267	-	2,798	-	0	89	89	42	-	42	655
2016	2,621	198	2	2,821	2,621	266	(266)	2,621	3.6%	-	200	200	-	2,821	-	0	44	44	13	-	54	494
2017	2,684	152	3	2,839	2,684	221	(221)	2,684	2.4%	-	155	155	-	2,839	-	0	41	41	-	21	33	371
2018	2,749	110	2	2,861	2,749	169	(169)	2,749	2.4%	-	112	112	-	2,861	-	0	76	76	-	33	-	282
2019	2,816	80	-	2,896	2,816	121	(121)	2,816	2.4%	-	80	80	-	2,896	-	0	141	141	-	-	-	218
2020	2,885	59	-	2,944	2,885	88	(88)	2,885	2.4%	-	59	59	-	2,944	-	0	227	227	-	-	-	172
2021	2,956	45	-	3,001	2,956	64	(64)	2,956	2.4%	-	45	45	-	3,001	-	0	326	326	-	-	-	136
2022	3,265	33	-	3,299	3,265	49	(49)	3,265	10.5%	-	33	33	-	3,299	-	0	439	439	-	-	-	110
2023	4,099	26	-	4,125	4,099	37	(232)	3,904	19.6%	-	221	221	-	4,125	-	0	366	366	-	-	-	90
2024	5,146	21	-	5,167	5,146	28	(507)	4,667	19.6%	-	499	499	-	5,167	-	0	9	9	6	-	6	75
2025	5,686	16	0	5,702	5,686	23	(128)	5,580	19.6%	-	122	122	-	5,702	-	0	13	13	-	6	0	63
	49,231	3,540	13	52,784	49,231	3,875	(4,030)	49,076		336	3,310	3,646	3	52,725	-				150	150		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 21.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,039	2,465	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,339		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	132	-	132	1,791
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,251	(6)	(0)	280	280	-	40	92	1,859
2008	983	304	5	1,291	983	320	(180)	1,123	4.6%	42	126	168	-	1,291	-	(0)	345	345	-	58	34	1,896
2009	1,002	319	2	1,323	1,002	336	(189)	1,150	2.4%	42	131	173	-	1,323	-	(0)	401	401	-	34	-	1,908
2010	1,198	344	-	1,542	1,198	351	(197)	1,352	17.6%	42	148	190	-	1,542	-	(0)	439	439	-	-	-	1,811
2011	1,225	364	-	1,589	1,225	379	(213)	1,391	2.9%	42	156	198	-	1,589	-	(0)	466	466	-	-	-	1,662
2012	1,350	365	-	1,716	1,350	400	(225)	1,526	9.7%	42	148	190	-	1,716	-	(0)	500	500	-	-	-	1,483
2013	1,897	351	-	2,248	1,897	402	(440)	1,859	21.8%	42	346	388	-	2,248	-	(0)	333	333	-	-	-	1,211
2014	2,382	316	-	2,697	2,382	386	(502)	2,265	21.8%	-	432	432	-	2,697	-	(0)	70	70	122	-	122	962
2015	2,632	272	6	2,910	2,632	354	(354)	2,632	16.2%	-	231	231	-	2,863	(47)	(47)	-	(47)	74	-	196	743
2016	2,697	225	10	2,932	2,697	311	(311)	2,697	2.5%	-	156	156	-	2,853	(79)	(126)	-	(126)	43	-	239	561
2017	2,763	172	13	2,948	2,763	261	(261)	2,763	2.5%	-	152	152	-	2,915	(33)	(159)	-	(159)	5	-	243	421
2018	2,832	125	13	2,969	2,832	203	(203)	2,832	2.5%	-	148	148	-	2,979	10	(149)	-	(149)	-	30	213	321
2019	2,902	90	11	3,003	2,902	150	(150)	2,902	2.5%	-	144	144	-	3,046	42	(107)	-	(107)	-	57	157	248
2020	2,974	66	8	3,048	2,974	109	(109)	2,974	2.5%	-	140	140	-	3,114	66	(41)	-	(41)	-	76	80	195
2021	3,047	51	4	3,103	3,047	78	(78)	3,047	2.5%	-	97	97	-	3,144	41	0	41	41	-	80	-	155
2022	3,368	38	-	3,406	3,368	56	(56)	3,368	10.5%	-	38	38	-	3,406	-	0	137	137	-	-	-	125
2023	4,230	29	-	4,259	4,230	42	(168)	4,103	21.8%	-	156	156	-	4,259	-	0	117	117	-	-	-	103
2024	5,313	23	-	5,336	5,313	32	(346)	4,999	21.8%	-	249	249	-	5,248	(88)	(88)	-	(88)	105	-	105	85
2025	5,872	18	6	5,896	5,872	32	(32)	5,872	17.5%	-	112	112	-	5,984	88	0	14	14	-	105	0	71
	50,573	3,982	85	54,640	50,573	4,436	(4,012)	50,997		336	3,245	3,581	3	54,581	-				481	481		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 24.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,143	2,484	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,339		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	174	-	174	2,001
2007	963	286	9	1,259	963	112	-	1,075	0.6%	42	136	178	0	1,253	(6)	(0)	280	280	-	33	141	2,107
2008	983	338	7	1,328	983	323	(181)	1,124	4.6%	42	162	204	-	1,328	-	(0)	312	312	-	23	118	2,150
2009	1,002	357	6	1,365	1,002	379	(213)	1,168	3.9%	42	155	197	-	1,365	-	(0)	347	347	-	32	86	2,162
2010	1,217	390	5	1,612	1,217	398	(223)	1,392	19.1%	42	178	220	-	1,612	-	(0)	355	355	-	31	54	2,049
2011	1,245	415	3	1,663	1,245	432	(243)	1,435	3.1%	42	186	228	-	1,663	-	(0)	352	352	-	31	23	1,876
2012	1,373	414	1	1,789	1,373	458	(257)	1,574	9.7%	42	173	215	-	1,789	-	(0)	357	357	-	23	-	1,669
2013	1,948	397	-	2,345	1,948	456	(456)	1,948	23.8%	42	355	397	-	2,345	-	(0)	176	176	97	-	97	1,362
2014	2,447	355	5	2,808	2,447	442	(455)	2,434	24.9%	-	343	343	-	2,777	(31)	(31)	-	(31)	150	-	247	1,081
2015	2,705	306	13	3,024	2,705	405	(405)	2,705	11.1%	-	162	162	-	2,867	(157)	(188)	-	(188)	108	-	355	835
2016	2,773	252	19	3,044	2,773	357	(357)	2,773	2.5%	-	157	157	-	2,930	(114)	(302)	-	(302)	73	-	428	631
2017	2,843	193	22	3,058	2,843	302	(302)	2,843	2.5%	-	152	152	-	2,995	(63)	(365)	-	(365)	32	-	460	474
2018	2,914	140	24	3,078	2,914	239	(239)	2,914	2.5%	-	148	148	-	3,062	(17)	(382)	-	(382)	-	6	454	360
2019	2,987	102	24	3,113	2,987	181	(181)	2,987	2.5%	-	144	144	-	3,131	19	(363)	-	(363)	-	35	419	279
2020	3,062	74	22	3,159	3,062	136	(136)	3,062	2.5%	-	141	141	-	3,203	44	(319)	-	(319)	-	56	363	220
2021	3,139	57	19	3,216	3,139	103	(103)	3,139	2.5%	-	137	137	-	3,277	61	(258)	-	(258)	-	70	293	175
2022	3,471	43	15	3,529	3,471	80	(80)	3,471	10.6%	-	134	134	-	3,605	76	(182)	-	(182)	-	83	210	141
2023	4,361	33	11	4,405	4,361	59	(83)	4,337	24.9%	-	131	131	-	4,468	63	(118)	-	(118)	-	69	141	116
2024	5,479	27	7	5,513	5,479	44	(105)	5,419	24.9%	-	129	129	-	5,547	34	(84)	-	(84)	-	39	103	96
2025	6,058	21	5	6,084	6,058	35	(35)	6,058	11.8%	-	110	110	-	6,168	84	0	16	16	-	103	0	80
	51,916	4,423	219	56,557	51,916	5,065	(4,053)	52,928		336	3,232	3,568	3	56,498	-				635	635		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, NF*
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,029	2,522	290	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,370		2025 Ending Surplus / (Deficit)		(505)	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	217	-	217	2,211
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	26	190	2,355
2008	983	372	10	1,365	983	326	(183)	1,125	4.6%	42	198	240	-	1,365	-	(0)	279	279	12	-	202	2,403
2009	1,002	395	11	1,407	1,002	421	(237)	1,187	5.5%	42	178	220	-	1,407	-	(0)	292	292	-	11	191	2,417
2010	1,237	435	10	1,682	1,237	445	(250)	1,432	20.7%	42	208	250	-	1,682	-	(0)	273	273	-	7	185	2,287
2011	1,265	465	10	1,740	1,265	489	(275)	1,480	3.3%	42	218	260	-	1,740	-	(0)	239	239	-	6	179	2,089
2012	1,396	464	9	1,869	1,396	522	(293)	1,625	9.8%	42	202	244	-	1,869	-	(0)	216	216	-	24	155	1,856
2013	2,000	442	8	2,450	2,000	519	(519)	2,000	23.1%	42	391	433	-	2,432	(18)	(18)	-	(18)	166	-	320	1,513
2014	2,513	395	17	2,925	2,513	505	(505)	2,513	25.7%	-	168	168	-	2,681	(244)	(262)	-	(262)	181	-	502	1,201
2015	2,779	340	26	3,145	2,779	464	(464)	2,779	10.6%	-	163	163	-	2,941	(204)	(466)	-	(466)	149	-	651	928
2016	2,849	280	34	3,164	2,849	412	(412)	2,849	2.5%	-	157	157	-	3,007	(157)	(622)	-	(622)	111	-	763	700
2017	2,922	214	40	3,175	2,922	352	(352)	2,922	2.5%	-	153	153	-	3,074	(101)	(724)	-	(724)	66	-	829	527
2018	2,996	156	44	3,196	2,996	283	(283)	2,996	2.5%	-	148	148	-	3,144	(51)	(775)	-	(775)	26	-	855	400
2019	3,072	113	45	3,230	3,072	221	(221)	3,072	2.5%	-	144	144	-	3,217	(13)	(788)	-	(788)	-	5	850	310
2020	3,151	82	45	3,278	3,151	173	(173)	3,151	2.6%	-	141	141	-	3,292	14	(774)	-	(774)	-	27	823	244
2021	3,231	63	43	3,338	3,231	138	(138)	3,231	2.6%	-	138	138	-	3,369	31	(743)	-	(743)	-	41	782	194
2022	3,574	47	41	3,662	3,574	115	(115)	3,574	10.6%	-	134	134	-	3,708	46	(697)	-	(697)	-	53	729	157
2023	4,492	37	38	4,567	4,492	94	(94)	4,492	25.7%	-	132	132	-	4,623	57	(641)	-	(641)	-	62	667	129
2024	5,645	30	35	5,710	5,645	79	(79)	5,645	25.7%	-	129	129	-	5,774	64	(577)	-	(577)	-	69	598	106
2025	6,244	23	31	6,299	6,244	67	(67)	6,244	10.6%	-	126	126	-	6,370	72	(505)	-	(505)	-	75	523	89
	53,258	4,864	509	58,630	53,258	5,865	(4,660)	54,462		336	3,265	3,601	3	58,066	(505)				928	405		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits. Premium stabilization does not appear financially feasible under the assumed scenario.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 17.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,826	2,441	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,371		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	45	-	45	1,351
2007	963	233	2	1,198	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	(0)	332	332	-	45	-	1,376
2008	1,011	235	-	1,246	1,011	256	(144)	1,123	4.8%	42	81	123	-	1,246	-	(0)	441	441	-	-	-	1,390
2009	1,059	243	-	1,303	1,059	259	(145)	1,173	4.4%	42	88	130	-	1,303	-	(0)	543	543	-	-	-	1,385
2010	1,109	254	-	1,363	1,109	268	(150)	1,226	4.5%	42	95	137	-	1,363	-	(0)	640	640	-	-	-	1,356
2011	1,159	263	-	1,422	1,159	280	(157)	1,282	4.5%	42	99	141	-	1,422	-	(0)	733	733	-	-	-	1,302
2012	1,305	266	-	1,571	1,305	290	(163)	1,432	11.8%	42	97	139	-	1,571	-	(0)	828	828	-	-	-	1,225
2013	1,669	260	-	1,929	1,669	292	(275)	1,687	17.8%	42	200	242	-	1,929	-	(0)	820	820	-	-	-	1,129
2014	2,134	248	-	2,382	2,134	286	(433)	1,987	17.8%	-	395	395	-	2,382	-	(0)	614	614	-	-	-	1,014
2015	2,399	231	-	2,631	2,399	272	(331)	2,340	17.8%	-	290	290	-	2,631	-	(0)	502	502	-	-	-	881
2016	2,500	213	-	2,713	2,500	255	(143)	2,612	11.6%	-	101	101	-	2,713	-	(0)	571	571	-	-	-	737
2017	2,605	190	-	2,795	2,605	234	(234)	2,605	-0.3%	-	190	190	-	2,795	-	(0)	551	551	-	-	-	587
2018	2,667	163	-	2,830	2,667	209	(209)	2,667	2.4%	-	163	163	-	2,830	-	(0)	554	554	-	-	-	456
2019	2,731	134	-	2,865	2,731	180	(180)	2,731	2.4%	-	134	134	-	2,865	-	(0)	583	583	-	-	-	348
2020	2,797	105	-	2,901	2,797	147	(147)	2,797	2.4%	-	105	105	-	2,901	-	(0)	641	641	-	-	-	264
2021	2,864	78	-	2,942	2,864	115	(115)	2,864	2.4%	-	78	78	-	2,942	-	(0)	724	724	-	-	-	201
2022	3,162	57	-	3,219	3,162	86	(86)	3,162	10.4%	-	57	57	-	3,219	-	(0)	829	829	-	-	-	155
2023	3,968	42	-	4,010	3,968	63	(306)	3,725	17.8%	-	286	286	-	4,010	-	(0)	706	706	-	-	-	122
2024	4,980	31	-	5,011	4,980	46	(639)	4,387	17.8%	-	625	625	-	5,011	-	(0)	238	238	-	-	-	97
2025	5,500	24	-	5,523	5,500	34	(367)	5,167	17.8%	-	357	357	-	5,523	-	(0)	16	16	0	-	0	79
	47,528	3,493	2	51,023	47,528	3,804	(4,225)	47,107		336	3,518	3,854	3	50,963	-				45	45		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 19.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,915	2,442	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,333		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	88	-	88	1,567
2007	963	267	5	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	67	20	1,596
2008	1,015	269	1	1,285	1,015	294	(165)	1,144	6.7%	42	99	141	-	1,285	-	0	389	389	-	20	-	1,612
2009	1,068	280	-	1,348	1,068	296	(166)	1,197	4.6%	42	108	150	-	1,348	-	0	469	469	-	-	-	1,606
2010	1,121	296	-	1,417	1,121	308	(173)	1,256	4.9%	42	118	160	-	1,417	-	0	539	539	-	-	-	1,570
2011	1,175	307	-	1,482	1,175	325	(182)	1,318	4.9%	42	122	164	-	1,482	-	0	604	604	-	-	-	1,503
2012	1,328	308	-	1,636	1,328	338	(190)	1,476	12.0%	42	118	160	-	1,636	-	0	673	673	-	-	-	1,412
2013	1,703	301	-	2,004	1,703	339	(283)	1,759	19.2%	42	203	245	-	2,004	-	0	657	657	-	-	-	1,298
2014	2,183	285	-	2,468	2,183	331	(417)	2,097	19.2%	-	371	371	-	2,468	-	0	468	468	-	-	-	1,166
2015	2,460	267	-	2,727	2,460	314	(274)	2,500	19.2%	-	227	227	-	2,727	-	0	413	413	-	-	-	1,012
2016	2,570	244	-	2,815	2,570	293	(165)	2,699	8.0%	-	116	116	-	2,815	-	0	464	464	-	-	-	846
2017	2,684	218	-	2,902	2,684	269	(269)	2,684	-0.5%	-	218	218	-	2,902	-	0	412	412	-	-	-	674
2018	2,749	187	-	2,937	2,749	240	(240)	2,749	2.4%	-	187	187	-	2,937	-	0	385	385	-	-	-	524
2019	2,816	153	-	2,970	2,816	206	(206)	2,816	2.4%	-	153	153	-	2,970	-	0	388	388	-	-	-	400
2020	2,885	120	-	3,005	2,885	169	(169)	2,885	2.4%	-	120	120	-	3,005	-	0	422	422	-	-	-	303
2021	2,956	89	-	3,045	2,956	132	(132)	2,956	2.4%	-	89	89	-	3,045	-	0	485	485	-	-	-	231
2022	3,265	65	-	3,331	3,265	98	(98)	3,265	10.5%	-	65	65	-	3,331	-	0	572	572	-	-	-	178
2023	4,099	48	-	4,147	4,099	72	(279)	3,892	19.2%	-	255	255	-	4,147	-	0	470	470	-	-	-	140
2024	5,146	36	-	5,182	5,146	53	(560)	4,639	19.2%	-	543	543	-	5,182	-	0	73	73	-	-	-	112
2025	5,686	27	-	5,713	5,686	40	(196)	5,530	19.2%	-	183	183	-	5,713	-	0	18	18	0	-	0	90
	48,818	3,991	6	52,815	48,818	4,351	(4,163)	49,006		336	3,411	3,747	3	52,756	-				88	88		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 20.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,002	2,446	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,298		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	130	-	130	1,780
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,251	(6)	(0)	280	280	-	45	86	1,826
2008	1,019	303	4	1,327	1,019	320	(179)	1,159	8.0%	42	125	167	-	1,327	-	(0)	345	345	-	62	24	1,845
2009	1,076	317	1	1,394	1,076	335	(188)	1,223	5.5%	42	129	171	-	1,394	-	(0)	404	404	-	24	-	1,838
2010	1,133	338	-	1,472	1,133	349	(196)	1,286	5.2%	42	144	186	-	1,472	-	(0)	446	446	-	-	-	1,793
2011	1,192	353	-	1,545	1,192	372	(209)	1,355	5.4%	42	148	190	-	1,545	-	(0)	482	482	-	-	-	1,711
2012	1,350	353	-	1,703	1,350	388	(218)	1,521	12.2%	42	140	182	-	1,703	-	(0)	524	524	-	-	-	1,604
2013	1,737	343	-	2,080	1,737	388	(291)	1,834	20.6%	42	204	246	-	2,080	-	(0)	499	499	-	-	-	1,472
2014	2,232	324	-	2,556	2,232	378	(399)	2,211	20.6%	-	345	345	-	2,556	-	(0)	331	331	-	-	-	1,320
2015	2,521	303	-	2,824	2,521	357	(213)	2,665	20.6%	-	159	159	-	2,824	-	(0)	338	338	-	-	-	1,145
2016	2,640	277	-	2,917	2,640	333	(187)	2,786	4.5%	-	131	131	-	2,917	-	(0)	371	371	-	-	-	956
2017	2,763	247	-	3,010	2,763	304	(304)	2,763	-0.8%	-	247	247	-	3,010	-	(0)	286	286	-	-	-	762
2018	2,832	212	-	3,044	2,832	271	(271)	2,832	2.5%	-	212	212	-	3,044	-	(0)	230	230	-	-	-	592
2019	2,902	173	-	3,075	2,902	233	(233)	2,902	2.5%	-	173	173	-	3,075	-	(0)	207	207	-	-	-	452
2020	2,974	135	-	3,109	2,974	191	(191)	2,974	2.5%	-	135	135	-	3,109	-	(0)	218	218	-	-	-	343
2021	3,047	101	-	3,148	3,047	149	(149)	3,047	2.5%	-	101	101	-	3,148	-	(0)	262	262	-	-	-	261
2022	3,368	74	-	3,442	3,368	111	(111)	3,368	10.5%	-	74	74	-	3,442	-	(0)	331	331	-	-	-	202
2023	4,230	55	-	4,285	4,230	81	(251)	4,061	20.6%	-	224	224	-	4,285	-	(0)	250	250	-	-	-	159
2024	5,313	41	-	5,354	5,313	60	(477)	4,896	20.6%	-	388	388	-	5,284	(70)	(70)	-	(70)	95	-	95	127
2025	5,872	31	5	5,908	5,872	50	(50)	5,872	19.9%	-	106	106	-	5,978	70	(0)	21	21	-	95	0	103
	50,109	4,489	18	54,616	50,109	4,906	(4,117)	50,898		336	3,320	3,656	3	54,556	-				225	225		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 23.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,088	2,460	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,277		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	172	-	172	1,989
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	(0)	280	280	-	38	134	2,071
2008	1,023	338	7	1,368	1,023	323	(181)	1,165	8.3%	42	161	203	-	1,368	-	(0)	312	312	-	27	107	2,093
2009	1,084	355	6	1,444	1,084	377	(212)	1,250	7.3%	42	153	195	-	1,444	-	(0)	349	349	-	39	68	2,084
2010	1,146	383	4	1,533	1,146	394	(221)	1,319	5.5%	42	172	214	-	1,533	-	(0)	363	363	-	25	43	2,029
2011	1,209	403	2	1,614	1,209	424	(238)	1,395	5.8%	42	177	219	-	1,614	-	(0)	368	368	-	25	18	1,930
2012	1,373	400	1	1,774	1,373	444	(249)	1,568	12.4%	42	164	206	-	1,774	-	(0)	382	382	-	18	-	1,804
2013	1,770	388	-	2,159	1,770	440	(281)	1,929	23.0%	42	187	229	-	2,159	-	(0)	370	370	-	-	-	1,652
2014	2,280	365	-	2,645	2,280	427	(334)	2,374	23.0%	-	271	271	-	2,645	-	(0)	269	269	27	-	27	1,479
2015	2,583	340	1	2,924	2,583	403	(226)	2,759	16.2%	-	165	165	-	2,924	-	(0)	269	269	-	27	-	1,282
2016	2,710	310	-	3,020	2,710	374	(210)	2,874	4.2%	-	146	146	-	3,020	-	(0)	284	284	-	-	-	1,070
2017	2,843	276	-	3,118	2,843	341	(341)	2,843	-1.1%	-	276	276	-	3,118	-	(0)	167	167	4	-	4	852
2018	2,914	237	0	3,152	2,914	304	(304)	2,914	2.5%	-	238	238	-	3,152	-	(0)	80	80	49	-	53	663
2019	2,987	194	3	3,184	2,987	264	(264)	2,987	2.5%	-	197	197	-	3,184	-	(0)	30	30	19	-	71	506
2020	3,062	151	4	3,217	3,062	217	(217)	3,062	2.5%	-	155	155	-	3,217	-	(0)	18	18	-	12	59	384
2021	3,139	113	3	3,255	3,139	169	(169)	3,139	2.5%	-	116	116	-	3,255	-	(0)	41	41	-	41	18	293
2022	3,471	83	1	3,555	3,471	125	(125)	3,471	10.6%	-	84	84	-	3,555	-	(0)	92	92	-	18	-	227
2023	4,361	61	-	4,422	4,361	91	(181)	4,271	23.0%	-	151	151	-	4,422	-	(0)	75	75	-	-	-	178
2024	5,479	46	-	5,525	5,479	67	(291)	5,255	23.0%	-	206	206	-	5,461	(64)	(64)	-	(64)	92	-	92	142
2025	6,058	35	5	6,098	6,058	56	(56)	6,058	15.3%	-	103	103	-	6,161	64	(0)	23	23	-	92	0	115
	51,400	4,986	45	56,432	51,400	5,478	(4,101)	52,777		336	3,257	3,593	3	56,372	-				362	362		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 25.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,188	2,501	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,297		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	214	-	214	2,198
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	32	182	2,315
2008	1,027	372	10	1,409	1,027	325	(183)	1,170	8.7%	42	197	239	-	1,409	-	(0)	279	279	7	-	189	2,341
2009	1,092	392	10	1,494	1,092	420	(236)	1,276	9.1%	42	176	218	-	1,494	-	(0)	295	295	-	18	171	2,331
2010	1,158	428	9	1,595	1,158	441	(248)	1,352	5.9%	42	202	244	-	1,595	-	(0)	281	281	0	-	172	2,265
2011	1,225	452	9	1,686	1,225	481	(270)	1,436	6.3%	42	208	250	-	1,686	-	(0)	257	257	1	-	173	2,149
2012	1,396	448	9	1,853	1,396	507	(285)	1,618	12.7%	42	192	234	-	1,853	-	(0)	245	245	-	17	156	2,004
2013	1,804	433	8	2,246	1,804	502	(282)	2,024	25.1%	42	179	221	-	2,246	-	(0)	241	241	-	30	126	1,832
2014	2,329	406	7	2,742	2,329	484	(272)	2,541	25.6%	-	200	200	-	2,742	-	(0)	211	211	-	9	116	1,639
2015	2,644	378	6	3,028	2,644	453	(254)	2,842	11.8%	-	185	185	-	3,028	-	(0)	192	192	-	25	91	1,419
2016	2,780	344	5	3,129	2,780	421	(236)	2,965	4.3%	-	164	164	-	3,129	-	(0)	190	190	-	44	47	1,183
2017	2,922	305	2	3,229	2,922	381	(381)	2,922	-1.5%	-	308	308	-	3,229	-	(0)	39	39	103	-	150	943
2018	2,996	263	8	3,267	2,996	344	(344)	2,996	2.5%	-	191	191	-	3,187	(80)	(80)	-	(80)	77	-	227	733
2019	3,072	214	12	3,299	3,072	302	(302)	3,072	2.5%	-	147	147	-	3,220	(79)	(159)	-	(159)	45	-	271	560
2020	3,151	167	14	3,332	3,151	252	(252)	3,151	2.6%	-	143	143	-	3,294	(38)	(197)	-	(197)	11	-	282	425
2021	3,231	124	15	3,371	3,231	200	(200)	3,231	2.6%	-	139	139	-	3,370	(0)	(197)	-	(197)	-	20	262	324
2022	3,574	91	14	3,679	3,574	152	(152)	3,574	10.6%	-	136	136	-	3,709	30	(167)	-	(167)	-	45	217	251
2023	4,492	68	11	4,571	4,492	113	(117)	4,488	25.6%	-	132	132	-	4,620	49	(118)	-	(118)	-	60	158	197
2024	5,645	51	8	5,704	5,645	84	(94)	5,635	25.6%	-	129	129	-	5,765	60	(58)	-	(58)	-	68	89	157
2025	6,244	38	5	6,287	6,244	61	(61)	6,244	10.8%	-	101	101	-	6,345	58	(0)	25	25	-	89	0	127
	52,691	5,484	173	58,347	52,691	6,160	(4,167)	54,684		336	3,265	3,601	3	58,288	-				458	458		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 16.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,806	2,444	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,336		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	43	-	43	1,343
2007	963	233	2	1,198	963	108	-	1,072	0.3%	42	79	121	0	1,193	(6)	0	332	332	-	43	-	1,348
2008	1,038	235	-	1,272	1,038	256	(144)	1,150	7.3%	42	80	122	-	1,272	-	0	441	441	-	-	-	1,316
2009	1,110	242	-	1,352	1,110	258	(145)	1,224	6.4%	42	86	128	-	1,352	-	0	545	545	-	-	-	1,239
2010	1,182	248	-	1,430	1,182	266	(149)	1,299	6.1%	42	90	132	-	1,430	-	0	647	647	-	-	-	1,113
2011	1,254	248	-	1,502	1,254	273	(153)	1,373	5.8%	42	87	129	-	1,502	-	0	752	752	-	-	-	949
2012	1,430	236	-	1,666	1,430	273	(273)	1,430	4.1%	42	194	236	-	1,666	-	0	751	751	-	-	-	765
2013	1,794	209	-	2,003	1,794	259	(382)	1,671	16.9%	42	290	332	-	2,003	-	0	651	651	-	-	-	598
2014	2,251	174	-	2,425	2,251	230	(528)	1,953	16.9%	-	471	471	-	2,425	-	0	362	362	-	-	-	458
2015	2,485	136	-	2,621	2,485	191	(393)	2,283	16.9%	-	338	338	-	2,621	-	0	191	191	-	-	-	348
2016	2,544	102	-	2,646	2,544	149	(149)	2,544	11.4%	-	102	102	-	2,646	-	0	247	247	-	-	-	265
2017	2,605	75	-	2,680	2,605	112	(112)	2,605	2.4%	-	75	75	-	2,680	-	0	329	329	-	-	-	205
2018	2,667	55	-	2,723	2,667	83	(83)	2,667	2.4%	-	55	55	-	2,723	-	0	431	431	-	-	-	161
2019	2,731	41	-	2,772	2,731	61	(61)	2,731	2.4%	-	41	41	-	2,772	-	0	548	548	-	-	-	129
2020	2,797	32	-	2,828	2,797	45	(45)	2,797	2.4%	-	32	32	-	2,828	-	0	677	677	-	-	-	104
2021	2,864	24	-	2,888	2,864	35	(35)	2,864	2.4%	-	24	24	-	2,888	-	0	815	815	-	-	-	85
2022	3,162	19	-	3,182	3,162	27	(27)	3,162	10.4%	-	19	19	-	3,182	-	0	961	961	-	-	-	70
2023	3,968	15	-	3,984	3,968	21	(294)	3,696	16.9%	-	288	288	-	3,984	-	0	842	842	-	-	-	58
2024	4,980	12	-	4,992	4,980	17	(677)	4,320	16.9%	-	673	673	-	4,992	-	0	331	331	-	-	-	49
2025	5,500	10	-	5,510	5,500	14	(464)	5,049	16.9%	-	461	461	-	5,510	-	0	8	8	0	-	0	41
	48,269	2,570	2	50,842	48,269	2,805	(4,115)	46,959		336	3,485	3,821	3	50,783	-				43	43		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 18.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,892	2,446	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,294		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	86	-	86	1,557
2007	963	267	4	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	72	14	1,564
2008	1,046	269	1	1,315	1,046	294	(165)	1,175	9.5%	42	98	140	-	1,315	-	0	389	389	-	14	-	1,528
2009	1,126	278	-	1,404	1,126	295	(166)	1,255	6.9%	42	106	148	-	1,404	-	0	472	472	-	-	-	1,440
2010	1,205	289	-	1,493	1,205	305	(171)	1,339	6.6%	42	113	155	-	1,493	-	0	547	547	-	-	-	1,292
2011	1,284	290	-	1,574	1,284	317	(178)	1,423	6.3%	42	109	151	-	1,574	-	0	627	627	-	-	-	1,100
2012	1,470	274	-	1,744	1,470	319	(319)	1,470	3.3%	42	232	274	-	1,744	-	0	583	583	-	-	-	885
2013	1,845	243	-	2,088	1,845	301	(408)	1,739	18.3%	42	307	349	-	2,088	-	0	458	458	-	-	-	691
2014	2,316	201	-	2,517	2,316	267	(527)	2,057	18.3%	-	460	460	-	2,517	-	0	172	172	-	-	-	530
2015	2,558	157	-	2,716	2,558	221	(347)	2,433	18.3%	-	283	283	-	2,716	-	0	49	49	31	-	31	402
2016	2,621	118	2	2,740	2,621	175	(175)	2,621	7.7%	-	120	120	-	2,740	-	0	83	83	-	31	-	307
2017	2,684	87	-	2,771	2,684	130	(130)	2,684	2.4%	-	87	87	-	2,771	-	0	147	147	-	-	-	237
2018	2,749	64	-	2,814	2,749	96	(96)	2,749	2.4%	-	64	64	-	2,814	-	0	232	232	-	-	-	186
2019	2,816	48	-	2,864	2,816	71	(71)	2,816	2.4%	-	48	48	-	2,864	-	0	335	335	-	-	-	149
2020	2,885	37	-	2,922	2,885	52	(52)	2,885	2.4%	-	37	37	-	2,922	-	0	450	450	-	-	-	120
2021	2,956	28	-	2,984	2,956	40	(40)	2,956	2.4%	-	28	28	-	2,984	-	0	576	576	-	-	-	98
2022	3,265	22	-	3,288	3,265	31	(31)	3,265	10.5%	-	22	22	-	3,288	-	0	709	709	-	-	-	81
2023	4,099	18	-	4,117	4,099	25	(262)	3,862	18.3%	-	255	255	-	4,117	-	0	613	613	-	-	-	67
2024	5,146	14	-	5,161	5,146	20	(598)	4,568	18.3%	-	593	593	-	5,161	-	0	172	172	-	-	-	57
2025	5,686	12	-	5,698	5,686	16	(299)	5,403	18.3%	-	295	295	-	5,698	-	0	10	10	0	-	0	48
	49,666	2,937	7	52,610	49,666	3,210	(4,034)	48,842		336	3,370	3,706	3	52,551	-				117	117		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 19.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,980	2,458	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,265		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	128	-	128	1,769
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,250	(6)	0	280	280	-	50	78	1,790
2008	1,054	303	4	1,360	1,054	319	(179)	1,194	11.2%	42	125	167	-	1,360	-	0	346	346	-	74	4	1,751
2009	1,141	314	0	1,456	1,141	333	(187)	1,287	7.8%	42	127	169	-	1,456	-	0	406	406	-	4	-	1,650
2010	1,228	331	-	1,558	1,228	346	(194)	1,379	7.2%	42	137	179	-	1,558	-	0	455	455	-	-	-	1,480
2011	1,314	334	-	1,648	1,314	364	(204)	1,473	6.8%	42	132	174	-	1,648	-	0	507	507	-	-	-	1,257
2012	1,511	314	-	1,825	1,511	367	(367)	1,511	2.5%	42	272	314	-	1,825	-	0	418	418	-	-	-	1,011
2013	1,897	278	-	2,175	1,897	345	(435)	1,807	19.6%	42	326	368	-	2,175	-	0	268	268	-	-	-	789
2014	2,382	229	-	2,611	2,382	306	(527)	2,161	19.6%	-	435	435	-	2,596	(15)	(15)	-	(15)	136	-	136	605
2015	2,632	180	7	2,819	2,632	260	(307)	2,585	19.6%	-	158	158	-	2,743	(76)	(92)	-	(92)	47	-	183	459
2016	2,697	135	10	2,841	2,697	208	(208)	2,697	4.3%	-	154	154	-	2,850	9	(82)	-	(82)	-	31	152	350
2017	2,763	99	8	2,870	2,763	157	(157)	2,763	2.5%	-	150	150	-	2,913	43	(39)	-	(39)	-	59	93	271
2018	2,832	74	5	2,910	2,832	114	(114)	2,832	2.5%	-	118	118	-	2,949	39	0	29	29	-	80	14	213
2019	2,902	54	1	2,957	2,902	82	(82)	2,902	2.5%	-	55	55	-	2,957	-	0	116	116	-	14	-	170
2020	2,974	42	-	3,015	2,974	60	(60)	2,974	2.5%	-	42	42	-	3,015	-	0	218	218	-	-	-	137
2021	3,047	32	-	3,080	3,047	46	(46)	3,047	2.5%	-	32	32	-	3,080	-	0	330	330	-	-	-	112
2022	3,368	26	-	3,394	3,368	35	(35)	3,368	10.5%	-	26	26	-	3,394	-	0	451	451	-	-	-	93
2023	4,230	20	-	4,251	4,230	28	(230)	4,028	19.6%	-	222	222	-	4,251	-	0	377	377	-	-	-	77
2024	5,313	16	-	5,329	5,313	23	(517)	4,818	19.6%	-	511	511	-	5,329	-	0	8	8	5	-	5	65
2025	5,872	13	0	5,886	5,872	18	(128)	5,763	19.6%	-	123	123	-	5,886	-	0	11	11	-	5	0	55
	51,063	3,303	42	54,408	51,063	3,648	(3,978)	50,732		336	3,278	3,614	3	54,348	-				316	316		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 21.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,070	2,470	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,244		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	170	-	170	1,977
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	(0)	280	280	-	44	126	2,031
2008	1,062	337	7	1,405	1,062	322	(181)	1,203	11.9%	42	160	202	-	1,405	-	(0)	313	313	-	41	85	1,988
2009	1,157	352	4	1,513	1,157	376	(211)	1,321	9.9%	42	150	192	-	1,513	-	(0)	352	352	-	62	23	1,876
2010	1,251	375	1	1,627	1,251	388	(218)	1,421	7.5%	42	164	206	-	1,627	-	(0)	373	373	-	23	-	1,681
2011	1,344	381	-	1,725	1,344	412	(231)	1,525	7.3%	42	158	200	-	1,725	-	(0)	395	395	-	-	-	1,425
2012	1,551	357	-	1,908	1,551	419	(419)	1,551	1.7%	42	315	357	-	1,908	-	(0)	258	258	-	-	-	1,146
2013	1,948	316	-	2,264	1,948	393	(457)	1,884	21.5%	42	338	380	-	2,264	-	(0)	90	90	89	-	89	893
2014	2,447	259	5	2,711	2,447	353	(512)	2,288	21.5%	-	253	253	-	2,541	(170)	(170)	-	(170)	218	-	307	684
2015	2,705	204	16	2,925	2,705	303	(303)	2,705	18.2%	-	159	159	-	2,864	(61)	(231)	-	(231)	28	-	335	519
2016	2,773	152	18	2,943	2,773	244	(244)	2,773	2.5%	-	154	154	-	2,927	(16)	(247)	-	(247)	-	9	326	396
2017	2,843	112	17	2,971	2,843	186	(186)	2,843	2.5%	-	150	150	-	2,993	21	(226)	-	(226)	-	39	287	307
2018	2,914	83	15	3,012	2,914	139	(139)	2,914	2.5%	-	147	147	-	3,060	48	(178)	-	(178)	-	61	226	240
2019	2,987	62	12	3,061	2,987	105	(105)	2,987	2.5%	-	143	143	-	3,130	70	(108)	-	(108)	-	79	146	192
2020	3,062	47	8	3,117	3,062	76	(76)	3,062	2.5%	-	140	140	-	3,202	85	(22)	-	(22)	-	93	54	155
2021	3,139	36	3	3,179	3,139	55	(55)	3,139	2.5%	-	62	62	-	3,201	22	(0)	75	75	-	54	-	127
2022	3,471	29	-	3,500	3,471	40	(40)	3,471	10.6%	-	29	29	-	3,500	-	(0)	182	182	-	-	-	105
2023	4,361	23	-	4,384	4,361	32	(177)	4,216	21.5%	-	169	169	-	4,384	-	(0)	151	151	-	-	-	87
2024	5,479	19	-	5,498	5,479	26	(385)	5,120	21.5%	-	285	285	-	5,405	(93)	(93)	-	(93)	107	-	107	73
2025	6,058	15	6	6,079	6,058	27	(27)	6,058	18.3%	-	113	113	-	6,171	93	(0)	12	12	-	107	0	62
	52,460	3,669	120	56,248	52,460	4,132	(3,966)	52,626		336	3,224	3,560	3	56,189	-				612	612		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 24.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,168	2,493	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,240		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	211	-	211	2,185
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	38	174	2,272
2008	1,069	371	9	1,450	1,069	325	(182)	1,212	12.6%	42	196	238	-	1,450	-	(0)	279	279	-	8	166	2,225
2009	1,172	389	9	1,570	1,172	418	(235)	1,356	11.9%	42	173	215	-	1,570	-	(0)	298	298	-	43	123	2,101
2010	1,273	419	6	1,698	1,273	435	(244)	1,464	8.0%	42	192	234	-	1,698	-	(0)	292	292	-	38	85	1,882
2011	1,374	429	4	1,807	1,374	465	(261)	1,578	7.8%	42	187	229	-	1,807	-	(0)	286	286	-	52	33	1,594
2012	1,592	401	2	1,994	1,592	473	(473)	1,592	0.8%	42	360	402	-	1,994	-	(0)	101	101	122	-	155	1,280
2013	2,000	354	8	2,362	2,000	450	(475)	1,974	24.1%	42	271	313	-	2,287	(74)	(74)	-	(74)	119	-	274	998
2014	2,513	290	14	2,817	2,513	405	(468)	2,449	24.1%	-	164	164	-	2,614	(203)	(278)	-	(278)	156	-	430	764
2015	2,779	228	23	3,029	2,779	344	(344)	2,779	13.4%	-	159	159	-	2,938	(91)	(369)	-	(369)	54	-	485	580
2016	2,849	170	25	3,045	2,849	278	(278)	2,849	2.5%	-	155	155	-	3,004	(41)	(410)	-	(410)	13	-	498	443
2017	2,922	125	26	3,072	2,922	216	(216)	2,922	2.5%	-	151	151	-	3,072	(0)	(410)	-	(410)	-	20	478	343
2018	2,996	93	25	3,115	2,996	165	(165)	2,996	2.5%	-	147	147	-	3,143	28	(381)	-	(381)	-	43	435	268
2019	3,072	69	23	3,164	3,072	128	(128)	3,072	2.5%	-	143	143	-	3,216	52	(330)	-	(330)	-	62	372	214
2020	3,151	52	20	3,223	3,151	97	(97)	3,151	2.6%	-	140	140	-	3,291	68	(261)	-	(261)	-	77	296	173
2021	3,231	40	16	3,287	3,231	74	(74)	3,231	2.6%	-	137	137	-	3,368	81	(180)	-	(180)	-	87	209	142
2022	3,574	32	11	3,617	3,574	57	(57)	3,574	10.6%	-	134	134	-	3,708	91	(89)	-	(89)	-	96	113	117
2023	4,492	26	6	4,524	4,492	42	(100)	4,434	24.1%	-	131	131	-	4,565	41	(48)	-	(48)	-	45	68	97
2024	5,645	21	4	5,670	5,645	33	(178)	5,500	24.1%	-	128	128	-	5,629	(41)	(89)	-	(89)	38	-	106	81
2025	6,244	17	6	6,267	6,244	29	(29)	6,244	13.5%	-	112	112	-	6,356	89	(0)	14	14	-	106	0	69
	53,856	4,034	247	58,138	53,856	4,671	(4,005)	54,523		336	3,217	3,553	3	58,079	-				714	714		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 17.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,781	2,446	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,311		2025 Ending Surplus / (Deficit)		7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	45	-	45	1,352
2007	963	233	2	1,199	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	0	332	332	-	45	-	1,337
2008	983	235	-	1,217	983	256	(144)	1,095	2.2%	42	81	123	-	1,217	-	0	441	441	-	-	-	1,289
2009	1,236	242	-	1,478	1,236	258	(258)	1,236	12.9%	42	200	242	-	1,478	-	0	432	432	-	-	-	1,113
2010	1,265	247	-	1,512	1,265	266	(266)	1,265	2.4%	42	205	247	-	1,512	-	0	413	413	-	-	-	924
2011	1,295	241	-	1,536	1,295	272	(272)	1,295	2.4%	42	199	241	-	1,536	-	0	397	397	-	-	-	734
2012	1,430	214	-	1,644	1,430	265	(265)	1,430	10.4%	42	172	214	-	1,644	-	0	403	403	-	-	-	561
2013	1,794	171	-	1,964	1,794	236	(351)	1,679	17.4%	42	243	285	-	1,964	-	0	335	335	-	-	-	422
2014	2,251	124	-	2,374	2,251	188	(466)	1,972	17.4%	-	402	402	-	2,374	-	0	103	103	-	-	-	322
2015	2,485	91	-	2,576	2,485	136	(305)	2,316	17.4%	-	260	260	-	2,576	(0)	(0)	-	(0)	50	-	50	249
2016	2,544	67	3	2,614	2,544	103	(103)	2,544	9.9%	-	70	70	-	2,615	0	0	82	82	-	50	-	196
2017	2,605	52	-	2,657	2,605	74	(74)	2,605	2.4%	-	52	52	-	2,657	-	0	180	180	-	-	-	154
2018	2,667	38	-	2,706	2,667	57	(57)	2,667	2.4%	-	38	38	-	2,706	-	0	293	293	-	-	-	125
2019	2,731	29	-	2,760	2,731	42	(42)	2,731	2.4%	-	29	29	-	2,760	-	0	417	417	-	-	-	102
2020	2,797	24	-	2,820	2,797	32	(32)	2,797	2.4%	-	24	24	-	2,820	-	0	549	549	-	-	-	84
2021	2,864	18	-	2,882	2,864	26	(26)	2,864	2.4%	-	18	18	-	2,882	-	0	688	688	-	-	-	70
2022	3,162	15	-	3,177	3,162	20	(20)	3,162	10.4%	-	15	15	-	3,177	-	0	833	833	-	-	-	59
2023	3,968	12	-	3,981	3,968	16	(271)	3,714	17.4%	-	267	267	-	3,981	-	0	730	730	-	-	-	49
2024	4,980	10	-	4,990	4,980	14	(632)	4,361	17.4%	-	629	629	-	4,990	-	0	258	258	-	-	-	41
2025	5,500	8	-	5,508	5,500	11	(389)	5,122	17.4%	-	386	386	-	5,508	-	0	7	7	0	-	0	35
	48,464	2,295	5	50,764	48,464	2,507	(3,974)	46,997		336	3,370	3,706	3	50,705	-				95	95		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 18.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,868	2,452	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,272		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	88	-	88	1,568
2007	963	267	5	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	76	11	1,551
2008	983	269	1	1,252	983	294	(165)	1,111	3.6%	42	98	140	-	1,252	-	0	389	389	-	11	-	1,497
2009	1,269	278	-	1,548	1,269	296	(296)	1,269	14.2%	42	236	278	-	1,548	-	0	341	341	-	-	-	1,295
2010	1,300	287	-	1,587	1,300	306	(306)	1,300	2.4%	42	245	287	-	1,587	-	0	279	279	-	-	-	1,075
2011	1,331	281	-	1,612	1,331	316	(316)	1,331	2.4%	42	239	281	-	1,612	-	0	217	217	-	-	-	853
2012	1,470	249	-	1,720	1,470	309	(309)	1,470	10.4%	42	207	249	-	1,720	-	0	181	181	-	-	-	652
2013	1,845	199	-	2,044	1,845	274	(371)	1,749	18.9%	42	253	295	-	2,044	-	0	94	94	4	-	4	491
2014	2,316	144	0	2,460	2,316	219	(455)	2,080	18.9%	-	255	255	-	2,334	(126)	(126)	-	(126)	197	-	201	375
2015	2,558	106	11	2,675	2,558	170	(255)	2,473	18.9%	-	156	156	-	2,629	(46)	(172)	-	(172)	29	-	230	290
2016	2,621	78	12	2,711	2,621	130	(130)	2,621	6.0%	-	152	152	-	2,773	62	(110)	-	(110)	-	74	156	227
2017	2,684	60	8	2,753	2,684	95	(95)	2,684	2.4%	-	149	149	-	2,833	81	(30)	-	(30)	-	90	66	180
2018	2,749	45	3	2,798	2,749	70	(70)	2,749	2.4%	-	78	78	-	2,827	30	(0)	68	68	-	66	-	145
2019	2,816	34	-	2,850	2,816	49	(49)	2,816	2.4%	-	34	34	-	2,850	-	(0)	178	178	-	-	-	118
2020	2,885	27	-	2,912	2,885	37	(37)	2,885	2.4%	-	27	27	-	2,912	-	(0)	296	296	-	-	-	97
2021	2,956	21	-	2,977	2,956	30	(30)	2,956	2.4%	-	21	21	-	2,977	-	(0)	422	422	-	-	-	81
2022	3,265	17	-	3,283	3,265	23	(23)	3,265	10.5%	-	17	17	-	3,283	-	(0)	555	555	-	-	-	68
2023	4,099	15	-	4,114	4,099	19	(235)	3,883	18.9%	-	231	231	-	4,114	-	(0)	477	477	-	-	-	57
2024	5,146	12	-	5,158	5,146	16	(544)	4,618	18.9%	-	540	540	-	5,158	-	(0)	83	83	-	-	-	48
2025	5,686	10	-	5,696	5,686	13	(207)	5,492	18.9%	-	203	203	-	5,696	-	(0)	8	8	0	-	0	41
	49,889	2,622	40	52,551	49,889	2,902	(3,895)	48,896		336	3,257	3,593	3	52,492	-				318	318		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 20.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,965	2,474	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,262		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	130	-	130	1,781
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,251	(6)	0	280	280	-	55	75	1,776
2008	983	303	4	1,289	983	319	(179)	1,123	4.5%	42	125	167	-	1,289	-	0	345	345	-	75	-	1,716
2009	1,303	315	-	1,618	1,303	333	(333)	1,303	16.1%	42	273	315	-	1,618	-	0	259	259	38	-	38	1,488
2010	1,335	329	2	1,666	1,335	349	(349)	1,335	2.4%	42	289	331	-	1,666	-	0	151	151	58	-	96	1,236
2011	1,367	324	5	1,696	1,367	368	(368)	1,367	2.4%	42	287	329	-	1,696	-	0	40	40	60	-	156	980
2012	1,511	286	8	1,805	1,511	365	(365)	1,511	10.5%	42	210	252	-	1,763	(42)	(42)	-	(42)	36	-	192	749
2013	1,897	228	10	2,135	1,897	326	(404)	1,819	20.4%	42	165	207	-	2,027	(109)	(151)	-	(151)	72	-	263	564
2014	2,382	165	14	2,561	2,382	266	(458)	2,190	20.4%	-	161	161	-	2,351	(209)	(360)	-	(360)	183	-	446	431
2015	2,632	123	23	2,778	2,632	207	(207)	2,632	20.2%	-	157	157	-	2,788	11	(349)	-	(349)	-	30	416	332
2016	2,697	90	22	2,809	2,697	159	(159)	2,697	2.5%	-	153	153	-	2,849	41	(309)	-	(309)	-	55	361	261
2017	2,763	69	19	2,851	2,763	120	(120)	2,763	2.5%	-	149	149	-	2,913	61	(247)	-	(247)	-	72	289	206
2018	2,832	52	15	2,898	2,832	93	(93)	2,832	2.5%	-	146	146	-	2,977	79	(168)	-	(168)	-	87	202	166
2019	2,902	39	11	2,951	2,902	68	(68)	2,902	2.5%	-	143	143	-	3,044	93	(75)	-	(75)	-	99	102	136
2020	2,974	31	5	3,010	2,974	49	(49)	2,974	2.5%	-	112	112	-	3,086	75	0	28	28	-	102	-	112
2021	3,047	24	-	3,072	3,047	34	(34)	3,047	2.5%	-	24	24	-	3,072	-	0	140	140	-	-	-	93
2022	3,368	20	-	3,388	3,368	27	(27)	3,368	10.5%	-	20	20	-	3,388	-	0	259	259	-	-	-	78
2023	4,230	17	-	4,247	4,230	22	(196)	4,056	20.4%	-	191	191	-	4,247	-	0	208	208	-	-	-	65
2024	5,313	14	-	5,327	5,313	18	(448)	4,883	20.4%	-	344	344	-	5,227	(99)	(99)	-	(99)	110	-	110	55
2025	5,872	11	6	5,889	5,872	22	(22)	5,872	20.2%	-	116	116	-	5,988	99	0	9	9	-	110	0	46
	51,313	2,949	151	54,414	51,313	3,381	(3,878)	50,816		336	3,200	3,536	3	54,354	-				687	687		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 23.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,064	2,494	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,256		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	172	-	172	1,990
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	(0)	280	280	-	50	123	2,015
2008	983	337	6	1,326	983	322	(181)	1,124	4.5%	42	160	202	-	1,326	-	(0)	312	312	-	45	78	1,950
2009	1,336	353	4	1,693	1,336	375	(375)	1,336	18.9%	42	315	357	-	1,693	-	(0)	186	186	75	-	153	1,695
2010	1,369	373	8	1,751	1,369	397	(397)	1,369	2.5%	42	339	381	-	1,751	-	(0)	30	30	100	-	252	1,411
2011	1,403	370	13	1,787	1,403	425	(425)	1,403	2.5%	42	207	249	-	1,652	(135)	(135)	-	(135)	106	-	358	1,118
2012	1,551	327	19	1,896	1,551	428	(428)	1,551	10.5%	42	172	214	-	1,765	(132)	(266)	-	(266)	79	-	437	854
2013	1,948	260	23	2,232	1,948	384	(418)	1,915	23.4%	42	166	208	-	2,123	(109)	(375)	-	(375)	66	-	503	643
2014	2,447	188	26	2,662	2,447	315	(399)	2,364	23.4%	-	161	161	-	2,525	(137)	(511)	-	(511)	106	-	610	491
2015	2,705	140	32	2,877	2,705	242	(242)	2,705	14.5%	-	157	157	-	2,862	(15)	(526)	-	(526)	-	7	602	379
2016	2,773	103	32	2,907	2,773	189	(189)	2,773	2.5%	-	153	153	-	2,926	19	(508)	-	(508)	-	35	567	297
2017	2,843	78	30	2,951	2,843	146	(146)	2,843	2.5%	-	149	149	-	2,992	41	(467)	-	(467)	-	54	513	235
2018	2,914	59	27	3,000	2,914	116	(116)	2,914	2.5%	-	146	146	-	3,060	60	(407)	-	(407)	-	69	444	188
2019	2,987	44	23	3,055	2,987	91	(91)	2,987	2.5%	-	143	143	-	3,130	75	(332)	-	(332)	-	82	362	154
2020	3,062	35	19	3,117	3,062	70	(70)	3,062	2.5%	-	140	140	-	3,202	85	(246)	-	(246)	-	91	272	127
2021	3,139	28	14	3,181	3,139	54	(54)	3,139	2.5%	-	137	137	-	3,276	95	(151)	-	(151)	-	99	173	106
2022	3,471	23	9	3,503	3,471	40	(40)	3,471	10.6%	-	134	134	-	3,605	102	(49)	-	(49)	-	105	67	89
2023	4,361	19	4	4,384	4,361	29	(105)	4,285	23.4%	-	131	131	-	4,416	32	(17)	-	(17)	-	35	32	74
2024	5,479	16	2	5,497	5,479	23	(213)	5,289	23.4%	-	128	128	-	5,417	(79)	(97)	-	(97)	77	-	109	62
2025	6,058	13	6	6,077	6,058	24	(24)	6,058	14.5%	-	115	115	-	6,173	97	(0)	10	10	-	109	0	52
	52,738	3,276	306	56,320	52,738	3,907	(3,913)	52,732		336	3,189	3,525	3	56,260	-				781	781		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, NF*
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,104	2,514	121	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,253		2025 Ending Surplus / (Deficit)		(134)	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	214	-	214	2,199
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	44	170	2,254
2008	983	372	9	1,363	983	325	(182)	1,125	4.5%	42	196	238	-	1,363	-	(0)	279	279	-	12	158	2,183
2009	1,370	390	8	1,768	1,370	418	(418)	1,370	21.7%	42	356	398	-	1,768	-	(0)	113	113	110	-	267	1,902
2010	1,404	417	14	1,835	1,404	444	(444)	1,404	2.5%	42	298	340	-	1,744	(91)	(91)	-	(91)	141	-	408	1,585
2011	1,439	416	21	1,877	1,439	482	(482)	1,439	2.5%	42	179	221	-	1,660	(217)	(308)	-	(308)	151	-	559	1,256
2012	1,592	367	29	1,988	1,592	490	(490)	1,592	10.6%	42	173	215	-	1,806	(182)	(490)	-	(490)	122	-	682	960
2013	2,000	293	36	2,328	2,000	443	(443)	2,000	25.6%	42	167	209	-	2,209	(119)	(609)	-	(609)	72	-	754	722
2014	2,513	211	40	2,763	2,513	365	(365)	2,513	25.7%	-	162	162	-	2,675	(89)	(698)	-	(698)	55	-	808	552
2015	2,779	158	42	2,979	2,779	279	(279)	2,779	10.6%	-	158	158	-	2,936	(42)	(740)	-	(740)	17	-	825	425
2016	2,849	116	43	3,008	2,849	221	(221)	2,849	2.5%	-	153	153	-	3,003	(6)	(746)	-	(746)	-	13	812	333
2017	2,922	88	43	3,052	2,922	174	(174)	2,922	2.5%	-	150	150	-	3,071	19	(727)	-	(727)	-	33	779	263
2018	2,996	66	41	3,103	2,996	142	(142)	2,996	2.5%	-	146	146	-	3,142	39	(688)	-	(688)	-	49	730	211
2019	3,072	50	38	3,161	3,072	115	(115)	3,072	2.5%	-	143	143	-	3,215	55	(633)	-	(633)	-	62	668	172
2020	3,151	39	35	3,225	3,151	94	(94)	3,151	2.6%	-	140	140	-	3,291	65	(568)	-	(568)	-	71	596	142
2021	3,231	31	31	3,294	3,231	78	(78)	3,231	2.6%	-	137	137	-	3,368	75	(493)	-	(493)	-	79	517	119
2022	3,574	25	27	3,626	3,574	64	(64)	3,574	10.6%	-	134	134	-	3,708	81	(412)	-	(412)	-	85	432	99
2023	4,492	22	23	4,536	4,492	53	(53)	4,492	25.7%	-	131	131	-	4,623	87	(325)	-	(325)	-	90	342	83
2024	5,645	18	18	5,681	5,645	43	(43)	5,645	25.7%	-	128	128	-	5,774	92	(233)	-	(233)	-	95	247	69
2025	6,244	14	13	6,272	6,244	34	(34)	6,244	10.6%	-	126	126	-	6,370	98	(134)	-	(134)	-	100	146	59
	54,163	3,602	523	58,288	54,163	4,502	(4,122)	54,543		336	3,213	3,549	3	58,094	(134)				882	736		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits. Premium stabilization does not appear financially feasible under the assumed scenario.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 17.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,817	2,444	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,349		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	43	-	43	1,344
2007	963	233	2	1,198	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	(0)	332	332	-	43	-	1,362
2008	1,038	235	-	1,273	1,038	256	(144)	1,150	7.3%	42	80	122	-	1,273	-	(0)	441	441	-	-	-	1,341
2009	1,059	242	-	1,302	1,059	258	(145)	1,173	2.0%	42	87	129	-	1,302	-	(0)	545	545	-	-	-	1,305
2010	1,182	251	-	1,433	1,182	266	(150)	1,299	10.8%	42	92	134	-	1,433	-	(0)	644	644	-	-	-	1,188
2011	1,208	254	-	1,463	1,208	276	(155)	1,329	2.3%	42	91	133	-	1,463	-	(0)	745	745	-	-	-	1,050
2012	1,430	247	-	1,677	1,430	280	(280)	1,430	7.6%	42	205	247	-	1,677	-	(0)	732	732	-	-	-	859
2013	1,794	227	-	2,021	1,794	272	(388)	1,678	17.4%	42	301	343	-	2,021	-	(0)	620	620	-	-	-	679
2014	2,251	195	-	2,445	2,251	250	(531)	1,970	17.4%	-	476	476	-	2,445	-	(0)	325	325	-	-	-	523
2015	2,485	156	-	2,641	2,485	214	(388)	2,312	17.4%	-	329	329	-	2,641	-	(0)	162	162	-	-	-	397
2016	2,544	119	-	2,664	2,544	171	(171)	2,544	10.1%	-	119	119	-	2,664	-	(0)	199	199	-	-	-	300
2017	2,605	87	-	2,692	2,605	131	(131)	2,605	2.4%	-	87	87	-	2,692	-	(0)	268	268	-	-	-	230
2018	2,667	64	-	2,731	2,667	95	(95)	2,667	2.4%	-	64	64	-	2,731	-	(0)	358	358	-	-	-	179
2019	2,731	47	-	2,778	2,731	71	(71)	2,731	2.4%	-	47	47	-	2,778	-	(0)	467	467	-	-	-	142
2020	2,797	36	-	2,832	2,797	52	(52)	2,797	2.4%	-	36	36	-	2,832	-	(0)	588	588	-	-	-	114
2021	2,864	28	-	2,891	2,864	40	(40)	2,864	2.4%	-	28	28	-	2,891	-	(0)	720	720	-	-	-	92
2022	3,162	21	-	3,184	3,162	30	(30)	3,162	10.4%	-	21	21	-	3,184	-	(0)	860	860	-	-	-	76
2023	3,968	17	-	3,985	3,968	23	(280)	3,711	17.4%	-	274	274	-	3,985	-	(0)	751	751	-	-	-	63
2024	4,980	13	-	4,993	4,980	19	(643)	4,356	17.4%	-	638	638	-	4,993	-	(0)	271	271	-	-	-	53
2025	5,500	11	-	5,511	5,500	15	(402)	5,112	17.4%	-	398	398	-	5,511	-	(0)	9	9	0	-	0	44
	48,173	2,705	2	50,881	48,173	2,952	(4,094)	47,031		336	3,452	3,788	3	50,821	-				43	43		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 18.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,906	2,448	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,311		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	86	-	86	1,559
2007	963	267	5	1,234	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	(0)	299	299	-	69	17	1,579
2008	1,046	269	1	1,315	1,046	294	(165)	1,175	9.5%	42	98	140	-	1,315	-	(0)	389	389	-	17	-	1,557
2009	1,068	278	-	1,346	1,068	296	(166)	1,197	1.9%	42	107	149	-	1,346	-	(0)	471	471	-	-	-	1,514
2010	1,205	291	-	1,496	1,205	306	(172)	1,339	11.9%	42	115	157	-	1,496	-	(0)	544	544	-	-	-	1,378
2011	1,232	297	-	1,529	1,232	320	(180)	1,373	2.5%	42	114	156	-	1,529	-	(0)	618	618	-	-	-	1,215
2012	1,470	287	-	1,757	1,470	326	(326)	1,470	7.1%	42	245	287	-	1,757	-	(0)	560	560	-	-	-	993
2013	1,845	263	-	2,108	1,845	316	(414)	1,747	18.8%	42	319	361	-	2,108	-	(0)	423	423	-	-	-	785
2014	2,316	225	-	2,541	2,316	289	(530)	2,075	18.8%	-	466	466	-	2,541	-	(0)	130	130	-	-	-	604
2015	2,558	180	-	2,739	2,558	247	(340)	2,466	18.8%	-	273	273	-	2,739	-	(0)	16	16	75	-	75	458
2016	2,621	138	4	2,762	2,621	203	(203)	2,621	6.3%	-	142	142	-	2,762	-	(0)	28	28	-	34	41	346
2017	2,684	100	2	2,786	2,684	154	(154)	2,684	2.4%	-	102	102	-	2,786	-	(0)	76	76	-	41	-	266
2018	2,749	74	-	2,824	2,749	110	(110)	2,749	2.4%	-	74	74	-	2,824	-	(0)	149	149	-	-	-	207
2019	2,816	54	-	2,871	2,816	82	(82)	2,816	2.4%	-	54	54	-	2,871	-	(0)	242	242	-	-	-	164
2020	2,885	41	-	2,926	2,885	60	(60)	2,885	2.4%	-	41	41	-	2,926	-	(0)	349	349	-	-	-	131
2021	2,956	32	-	2,987	2,956	46	(46)	2,956	2.4%	-	32	32	-	2,987	-	(0)	466	466	-	-	-	107
2022	3,265	25	-	3,290	3,265	35	(35)	3,265	10.5%	-	25	25	-	3,290	-	(0)	593	593	-	-	-	88
2023	4,099	20	-	4,119	4,099	27	(247)	3,879	18.8%	-	239	239	-	4,119	-	(0)	508	508	-	-	-	73
2024	5,146	16	-	5,162	5,146	22	(559)	4,609	18.8%	-	553	553	-	5,162	-	(0)	103	103	-	-	-	61
2025	5,686	13	-	5,698	5,686	17	(227)	5,476	18.8%	-	222	222	-	5,698	-	(0)	10	10	0	-	0	51
	49,556	3,091	12	52,659	49,556	3,383	(4,014)	48,926		336	3,335	3,671	3	52,599	-				162	162		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 20.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,999	2,461	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,288		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	128	-	128	1,771
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,250	(6)	0	280	280	-	47	82	1,808
2008	1,054	303	4	1,361	1,054	320	(179)	1,194	11.2%	42	125	167	-	1,361	-	0	346	346	-	71	11	1,783
2009	1,076	315	1	1,392	1,076	334	(187)	1,222	2.4%	42	128	170	-	1,392	-	0	405	405	-	11	-	1,734
2010	1,228	334	-	1,561	1,228	347	(195)	1,380	12.9%	42	139	181	-	1,561	-	0	452	452	-	-	-	1,576
2011	1,256	342	-	1,597	1,256	367	(206)	1,417	2.7%	42	139	181	-	1,597	-	0	497	497	-	-	-	1,387
2012	1,511	329	-	1,839	1,511	376	(376)	1,511	6.6%	42	287	329	-	1,839	-	0	393	393	-	-	-	1,133
2013	1,897	301	-	2,198	1,897	362	(443)	1,816	20.2%	42	340	382	-	2,198	-	0	228	228	-	-	-	894
2014	2,382	256	-	2,638	2,382	331	(530)	2,182	20.2%	-	394	394	-	2,576	(62)	(62)	-	(62)	200	-	200	688
2015	2,632	206	10	2,848	2,632	293	(302)	2,623	20.2%	-	159	159	-	2,782	(66)	(128)	-	(128)	33	-	233	522
2016	2,697	157	12	2,866	2,697	240	(240)	2,697	2.8%	-	154	154	-	2,851	(15)	(143)	-	(143)	-	11	222	395
2017	2,763	114	12	2,889	2,763	185	(185)	2,763	2.5%	-	150	150	-	2,914	25	(118)	-	(118)	-	43	179	303
2018	2,832	85	9	2,926	2,832	135	(135)	2,832	2.5%	-	147	147	-	2,978	52	(66)	-	(66)	-	66	113	235
2019	2,902	62	6	2,969	2,902	100	(100)	2,902	2.5%	-	134	134	-	3,035	66	0	10	10	-	85	28	187
2020	2,974	47	1	3,022	2,974	69	(69)	2,974	2.5%	-	48	48	-	3,022	-	0	101	101	-	28	-	150
2021	3,047	36	-	3,084	3,047	52	(52)	3,047	2.5%	-	36	36	-	3,084	-	0	205	205	-	-	-	122
2022	3,368	28	-	3,396	3,368	40	(40)	3,368	10.5%	-	28	28	-	3,396	-	0	318	318	-	-	-	100
2023	4,230	22	-	4,253	4,230	31	(213)	4,048	20.2%	-	204	204	-	4,253	-	0	256	256	-	-	-	83
2024	5,313	18	-	5,331	5,313	25	(472)	4,865	20.2%	-	394	394	-	5,260	(71)	(71)	-	(71)	85	-	85	69
2025	5,872	14	4	5,891	5,872	24	(49)	5,848	20.2%	-	114	114	-	5,962	71	(0)	12	12	-	85	0	58
	50,939	3,476	67	54,483	50,939	3,865	(3,973)	50,831		336	3,253	3,589	3	54,423	-				446	446		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 22.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,093	2,475	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,273		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	170	-	170	1,979
2007	963	286	9	1,258	963	112	-	1,075	0.6%	42	135	177	0	1,253	(6)	0	280	280	-	40	130	2,050
2008	1,062	337	7	1,405	1,062	322	(181)	1,203	11.9%	42	160	202	-	1,405	-	0	312	312	-	38	92	2,024
2009	1,084	353	5	1,442	1,084	376	(211)	1,249	3.8%	42	151	193	-	1,442	-	0	351	351	-	49	43	1,969
2010	1,251	378	2	1,631	1,251	391	(219)	1,422	13.8%	42	167	209	-	1,631	-	0	369	369	-	43	-	1,788
2011	1,280	390	-	1,669	1,280	416	(233)	1,462	2.8%	42	165	207	-	1,669	-	0	384	384	-	-	-	1,570
2012	1,551	374	-	1,925	1,551	429	(429)	1,551	6.1%	42	332	374	-	1,925	-	0	231	231	25	-	25	1,280
2013	1,948	341	1	2,291	1,948	412	(455)	1,906	22.9%	42	343	385	-	2,291	-	0	58	58	119	-	144	1,010
2014	2,447	289	8	2,744	2,447	383	(489)	2,341	22.9%	-	222	222	-	2,563	(181)	(181)	-	(181)	192	-	336	777
2015	2,705	232	18	2,955	2,705	338	(338)	2,705	15.5%	-	159	159	-	2,865	(91)	(271)	-	(271)	53	-	389	589
2016	2,773	177	20	2,970	2,773	278	(278)	2,773	2.5%	-	155	155	-	2,928	(43)	(314)	-	(314)	14	-	403	446
2017	2,843	128	21	2,992	2,843	218	(218)	2,843	2.5%	-	151	151	-	2,993	1	(313)	-	(313)	-	22	381	343
2018	2,914	96	20	3,030	2,914	163	(163)	2,914	2.5%	-	147	147	-	3,061	31	(282)	-	(282)	-	46	335	266
2019	2,987	70	18	3,075	2,987	125	(125)	2,987	2.5%	-	143	143	-	3,131	56	(226)	-	(226)	-	67	268	211
2020	3,062	53	14	3,129	3,062	92	(92)	3,062	2.5%	-	140	140	-	3,202	73	(153)	-	(153)	-	81	187	169
2021	3,139	41	10	3,190	3,139	69	(69)	3,139	2.5%	-	137	137	-	3,276	87	(66)	-	(66)	-	93	94	138
2022	3,471	32	5	3,508	3,471	50	(50)	3,471	10.6%	-	103	103	-	3,574	66	(0)	31	31	-	94	-	113
2023	4,361	26	-	4,386	4,361	35	(132)	4,264	22.9%	-	122	122	-	4,386	-	(0)	41	41	-	-	-	94
2024	5,479	20	-	5,499	5,479	28	(268)	5,239	22.9%	-	170	170	-	5,409	(91)	(91)	-	(91)	106	-	106	78
2025	6,058	16	6	6,080	6,058	28	(28)	6,058	15.6%	-	113	113	-	6,171	91	(0)	13	13	-	106	0	66
	52,322	3,861	163	56,346	52,322	4,390	(3,979)	52,733		336	3,215	3,551	3	56,287	-				680	680		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	Max O-of-P, 25.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,196	2,500	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,277		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	212	-	212	2,187
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	(0)	281	281	-	34	178	2,293
2008	1,069	371	9	1,450	1,069	325	(182)	1,212	12.6%	42	196	238	-	1,450	-	(0)	279	279	-	4	174	2,264
2009	1,092	390	9	1,491	1,092	419	(235)	1,276	5.3%	42	174	216	-	1,491	-	(0)	297	297	-	29	144	2,204
2010	1,273	422	8	1,703	1,273	438	(246)	1,465	14.9%	42	196	238	-	1,703	-	(0)	288	288	-	32	112	2,000
2011	1,303	438	6	1,747	1,303	471	(264)	1,510	3.0%	42	195	237	-	1,747	-	(0)	275	275	-	36	76	1,753
2012	1,592	419	4	2,014	1,592	486	(486)	1,592	5.4%	42	381	423	-	2,014	-	(0)	71	71	139	-	215	1,428
2013	2,000	381	11	2,392	2,000	473	(474)	1,998	25.6%	42	242	284	-	2,282	(110)	(110)	-	(110)	121	-	335	1,126
2014	2,513	323	18	2,853	2,513	439	(442)	2,509	25.6%	-	165	165	-	2,674	(179)	(289)	-	(289)	127	-	462	866
2015	2,779	259	24	3,062	2,779	382	(382)	2,779	10.7%	-	160	160	-	2,939	(123)	(412)	-	(412)	81	-	544	657
2016	2,849	197	29	3,075	2,849	316	(316)	2,849	2.5%	-	155	155	-	3,005	(71)	(483)	-	(483)	39	-	582	497
2017	2,922	143	31	3,095	2,922	251	(251)	2,922	2.5%	-	151	151	-	3,073	(22)	(505)	-	(505)	-	1	581	382
2018	2,996	107	31	3,134	2,996	191	(191)	2,996	2.5%	-	147	147	-	3,143	10	(495)	-	(495)	-	27	555	296
2019	3,072	78	29	3,179	3,072	150	(150)	3,072	2.5%	-	144	144	-	3,216	37	(459)	-	(459)	-	49	506	235
2020	3,151	59	27	3,236	3,151	115	(115)	3,151	2.6%	-	140	140	-	3,291	55	(404)	-	(404)	-	64	441	189
2021	3,231	45	23	3,300	3,231	90	(90)	3,231	2.6%	-	137	137	-	3,369	69	(335)	-	(335)	-	76	366	154
2022	3,574	35	19	3,628	3,574	71	(71)	3,574	10.6%	-	134	134	-	3,708	80	(255)	-	(255)	-	85	281	126
2023	4,492	29	15	4,535	4,492	55	(60)	4,487	25.6%	-	131	131	-	4,619	84	(172)	-	(172)	-	88	193	104
2024	5,645	23	10	5,678	5,645	43	(54)	5,634	25.6%	-	129	129	-	5,763	84	(87)	-	(87)	-	88	105	87
2025	6,244	18	6	6,268	6,244	31	(31)	6,244	10.8%	-	111	111	-	6,355	87	(0)	15	15	-	105	0	73
	53,705	4,246	318	58,269	53,705	4,981	(4,039)	54,647		336	3,225	3,561	3	58,210	-				718	718		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Interest Rate Paid on Debt:	5.25%, Coupon=Yield, Proceeds=Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%

Minimum PSF Percentage Achieving Desired Constraints

PSF Applied Incrementally, PSF NOT at least Assessment

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	8.5%	9.0%	9.5%	10.2%	10.9%
Delayed Act 13, Abatement through 12/31/2007	8.5%	8.9%	9.5%	10.0%	10.7%
$50K Increases, Abatement through 12/31/2007	8.5%	8.9%	9.4%	9.9%	10.4%
$100K Increases, Abatement through 12/31/2007	8.5%	8.9%	9.5%	10.2%	10.9%
HAP 1-Step, Abatement through 12/31/2007	8.5%	9.0%	9.6%	10.2%	11.0%
HAP 3-Step, Abatement through 12/31/2007	8.5%	8.9%	9.5%	10.1%	10.8%

PSF Applied Incrementally, PSF at least 56% of Assessment

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	8.5%	9.0%	9.7%	10.6%	11.6%
Delayed Act 13, Abatement through 12/31/2007	8.9%	9.4%	10.1%	11.0%	12.0%
$50K Increases, Abatement through 12/31/2007	8.5%	8.9%	9.5%	10.1%	10.9%
$100K Increases, Abatement through 12/31/2007	8.5%	9.0%	9.7%	10.5%	11.5%
HAP 1-Step, Abatement through 12/31/2007	8.6%	9.1%	9.8%	10.9%	12.4%
HAP 3-Step, Abatement through 12/31/2007	8.5%	9.0%	9.6%	10.5%	11.4%

PSF Applied Incrementally, PSF at least 56% of Assessment/100% when $1M primary limits

	Mcare Assumptions (% of PwC Projections)				
Phase-out Assumptions, Legislative Scenario	70%	80%	90%	100%	110%
Act 13, Abatement through 12/31/2007	8.5%	9.0%	10.0%	12.0%	17.6%
Delayed Act 13, Abatement through 12/31/2007	8.9%	9.6%	11.3%	20.7%	NF*
$50K Increases, Abatement through 12/31/2007	8.5%	9.0%	9.8%	10.8%	13.7%
$100K Increases, Abatement through 12/31/2007	8.5%	9.0%	10.0%	11.9%	14.9%
HAP 1-Step, Abatement through 12/31/2007	8.6%	9.1%	10.2%	13.8%	NF*
HAP 3-Step, Abatement through 12/31/2007	8.5%	9.0%	10.0%	11.9%	19.6%

NF* indicates that the scenario does not appear to be financially feasible under certain conditions.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.00%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	70%

PSF Applied Incrementally at 70% PwC Mcare Projections, PSF NOT at least Assessment

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
7	Act 13, Abatement through 12/31/2007, 8.5% PSF	29,128	2,457	59	(1,381)	407	-	-	-	-	30,671	8	39
12	Delayed Act 13, Abatement through 12/31/2007, 8.5% PSF	29,112	2,452	59	(1,378)	412	5	(5)	-	-	30,657	11	54
17	$50K Increases, Abatement through 12/31/2007, 8.5% PSF	29,095	2,448	59	(1,365)	410	3	(4)	-	-	30,648	16	79
22	$100K Increases, Abatement through 12/31/2007, 8.5% PSF	29,124	2,455	59	(1,382)	409	2	(2)	-	-	30,667	8	41
27	HAP 1-Step, Abatement through 12/31/2007, 8.5% PSF	29,134	2,460	59	(1,386)	410	3	(3)	-	-	30,677	7	35
32	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	29,121	2,454	59	(1,381)	410	3	(3)	-	-	30,664	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 70% PwC Mcare Projections, PSF at least 56% of Assessment

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
37	Act 13, Abatement through 12/31/2007, 8.5% PSF	29,128	2,457	59	(1,381)	407	-	-	-	-	30,671	8	39
42	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	29,126	2,457	59	(1,378)	412	5	(5)	-	-	30,676	11	54
47	$50k Increases, Abatement through 12/31/2007, 8.5% PSF	29,095	2,448	59	(1,365)	410	3	(4)	-	-	30,648	16	79
52	$100k Increases, Abatement through 12/31/2007, 8.5% PSF	29,124	2,455	59	(1,382)	409	2	(2)	-	-	30,667	8	41
57	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	29,143	2,462	59	(1,386)	410	3	(3)	-	-	30,690	7	35
62	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	29,121	2,454	59	(1,381)	410	3	(3)	-	-	30,664	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 70% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
67	Act 13, Abatement through 12/31/2007, 8.5% PSF	29,128	2,457	59	(1,381)	407	-	-	-	-	30,671	8	39
72	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	29,124	2,457	59	(1,378)	412	5	(5)	-	-	30,674	11	54
77	$50k Increases, Abatement through 12/31/2007, 8.5% PSF	29,095	2,448	59	(1,365)	410	3	(4)	-	-	30,648	16	79
82	$100k Increases, Abatement through 12/31/2007, 8.5% PSF	29,124	2,455	59	(1,382)	409	2	(2)	-	-	30,667	8	41
87	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	29,143	2,462	59	(1,386)	410	3	(3)	-	-	30,689	7	35
92	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	29,121	2,454	59	(1,381)	410	3	(3)	-	-	30,664	9	44
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-4%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 8.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.5% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

Note

Page numbers noted above are for the corresponding page in Exhibit 4 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	80%

PSF Applied Incrementally at 80% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
8	Act 13, Abatement through 12/31/2007, 9.0% PSF	30,253	2,477	59	(1,570)	465	-	-	-	-	31,683	9	45
13	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	30,226	2,465	59	(1,567)	470	5	(5)	-	-	31,653	13	63
18	$50K Increases, Abatement through 12/31/2007, 8.9% PSF	30,203	2,464	59	(1,552)	469	4	(4)	-	-	31,644	18	90
23	$100K Increases, Abatement through 12/31/2007, 8.9% PSF	30,246	2,471	59	(1,571)	468	3	(3)	-	-	31,673	10	48
28	HAP 1-Step, Abatement through 12/31/2007, 9.0% PSF	30,259	2,474	59	(1,576)	469	3	(4)	-	-	31,685	8	41
33	HAP 3-Step, Abatement through 12/31/2007, 8.9% PSF	30,240	2,469	59	(1,570)	468	3	(3)	-	-	31,666	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 80% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
38	Act 13, Abatement through 12/31/2007, 9.0% PSF	30,249	2,476	59	(1,570)	465	-	-	-	-	31,679	9	45
43	Delayed Act 13, Abatement through 12/31/2007, 9.4% PSF	30,229	2,469	59	(1,567)	470	5	(5)	-	-	31,661	13	63
48	$50k Increases, Abatement through 12/31/2007, 8.9% PSF	30,200	2,464	59	(1,552)	469	4	(4)	-	-	31,639	18	90
53	$100k Increases, Abatement through 12/31/2007, 9.0% PSF	30,242	2,471	59	(1,571)	468	3	(3)	-	-	31,669	10	48
58	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	30,257	2,475	59	(1,576)	469	3	(4)	-	-	31,684	8	41
63	HAP 3-Step, Abatement through 12/31/2007, 9.0% PSF	30,236	2,469	59	(1,570)	468	3	(3)	-	-	31,663	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 9.4% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 8.9% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 80% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
68	Act 13, Abatement through 12/31/2007, 9.0% PSF	30,245	2,476	59	(1,570)	465	-	-	-	-	31,675	9	45
73	Delayed Act 13, Abatement through 12/31/2007, 9.6% PSF	30,221	2,468	59	(1,567)	470	5	(5)	-	-	31,652	13	63
78	$50k Increases, Abatement through 12/31/2007, 9.0% PSF	30,194	2,462	59	(1,552)	469	4	(4)	-	-	31,632	18	90
83	$100k Increases, Abatement through 12/31/2007, 9.0% PSF	30,238	2,471	59	(1,571)	468	3	(3)	-	-	31,664	10	48
88	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	30,253	2,475	59	(1,576)	469	3	(4)	-	-	31,679	8	41
93	HAP 3-Step, Abatement through 12/31/2007, 9.0% PSF	30,232	2,469	59	(1,570)	468	3	(3)	-	-	31,658	10	51
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 9.6% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.1% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 9.0% PSF	95%	8%	0%	-5%	1%	0%	0%	0%	0%	100%		

Note

Page numbers noted above are for the corresponding page in Exhibit 4 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	90%

PSF Applied Incrementally at 90% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
9	Act 13, Abatement through 12/31/2007, 9.5% PSF	31,365	2,497	59	(1,757)	523	-	-	-	-	32,688	10	51
14	Delayed Act 13, Abatement through 12/31/2007, 9.5% PSF	31,333	2,486	59	(1,753)	529	6	(6)	-	-	32,653	14	71
19	$50K Increases, Abatement through 12/31/2007, 9.4% PSF	31,313	2,501	59	(1,737)	528	4	(4)	-	-	32,664	21	103
24	$100K Increases, Abatement through 12/31/2007, 9.5% PSF	31,358	2,493	59	(1,758)	526	3	(3)	-	-	32,678	11	55
29	HAP 1-Step, Abatement through 12/31/2007, 9.6% PSF	31,371	2,487	59	(1,763)	527	4	(4)	-	-	32,680	9	46
34	HAP 3-Step, Abatement through 12/31/2007, 9.5% PSF	31,351	2,494	59	(1,757)	527	3	(3)	-	-	32,674	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.5% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 9.5% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 9.4% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 9.5% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.6% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 9.5% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 90% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
39	Act 13, Abatement through 12/31/2007, 9.7% PSF	31,355	2,497	59	(1,757)	523	-	-	-	-	32,678	10	51
44	Delayed Act 13, Abatement through 12/31/2007, 10.1% PSF	31,329	2,491	59	(1,753)	529	6	(6)	-	-	32,655	14	71
49	$50k Increases, Abatement through 12/31/2007, 9.5% PSF	31,302	2,498	59	(1,737)	528	4	(4)	-	-	32,651	21	103
54	$100k Increases, Abatement through 12/31/2007, 9.7% PSF	31,348	2,493	59	(1,758)	526	3	(3)	-	-	32,668	11	55
59	HAP 1-Step, Abatement through 12/31/2007, 9.8% PSF	31,361	2,487	59	(1,763)	527	4	(4)	-	-	32,671	9	46
64	HAP 3-Step, Abatement through 12/31/2007, 9.6% PSF	31,341	2,492	59	(1,757)	527	3	(3)	-	-	32,663	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 9.7% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 10.1% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 9.5% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 9.7% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 9.8% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 9.6% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 90% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
69	Act 13, Abatement through 12/31/2007, 10.0% PSF	31,342	2,496	59	(1,757)	523	-	-	-	-	32,664	10	51
74	Delayed Act 13, Abatement through 12/31/2007, 11.3% PSF	31,310	2,486	59	(1,753)	529	6	(6)	-	-	32,631	14	71
79	$50k Increases, Abatement through 12/31/2007, 9.8% PSF	31,283	2,487	59	(1,737)	528	4	(4)	-	-	32,621	21	103
84	$100k Increases, Abatement through 12/31/2007, 10.0% PSF	31,334	2,491	59	(1,758)	526	3	(3)	-	-	32,653	11	55
89	HAP 1-Step, Abatement through 12/31/2007, 10.2% PSF	31,349	2,486	59	(1,763)	527	4	(4)	-	-	32,659	9	46
94	HAP 3-Step, Abatement through 12/31/2007, 10.0% PSF	31,327	2,490	59	(1,757)	527	3	(3)	-	-	32,646	12	58
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.0% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 11.3% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 9.8% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 10.0% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 10.2% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.0% PSF	96%	8%	0%	-5%	2%	0%	0%	0%	0%	100%		

Note

Page numbers noted above are for the corresponding page in Exhibit 4 of Appendix C - Work Task 3 - Final Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	100%

PSF Applied Incrementally at 100% PwC Mcare Projections, PSF NOT at least Assessment

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
10	Act 13, Abatement through 12/31/2007, 10.2% PSF	32,467	2,512	59	(1,940)	581	-	-	-	-	33,679	12	58
15	Delayed Act 13, Abatement through 12/31/2007, 10.0% PSF	32,433	2,511	59	(1,935)	588	7	(7)	-	-	33,656	16	80
20	$50K Increases, Abatement through 12/31/2007, 9.9% PSF	32,416	2,530	59	(1,917)	586	5	(5)	-	-	33,675	23	115
25	$100K Increases, Abatement through 12/31/2007, 10.2% PSF	32,459	2,510	59	(1,941)	585	3	(3)	-	-	33,672	12	62
30	HAP 1-Step, Abatement through 12/31/2007, 10.2% PSF	32,472	2,500	59	(1,946)	586	4	(4)	-	-	33,670	10	52
35	HAP 3-Step, Abatement through 12/31/2007, 10.1% PSF	32,452	2,512	59	(1,939)	585	4	(4)	-	-	33,669	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.2% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 10.0% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 9.9% PSF	96%	8%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 10.2% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 10.2% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.1% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 100% PwC Mcare Projections, PSF at least 56% of Assessment

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
40	Act 13, Abatement through 12/31/2007, 10.6% PSF	32,450	2,511	59	(1,940)	581	-	-	-	-	33,662	12	58
45	Delayed Act 13, Abatement through 12/31/2007, 11.0% PSF	32,421	2,515	59	(1,935)	588	7	(7)	-	-	33,648	16	80
50	$50k Increases, Abatement through 12/31/2007, 10.1% PSF	32,397	2,528	59	(1,917)	586	5	(5)	-	-	33,654	23	115
55	$100k Increases, Abatement through 12/31/2007, 10.5% PSF	32,442	2,509	59	(1,941)	585	3	(3)	-	-	33,654	12	62
60	HAP 1-Step, Abatement through 12/31/2007, 10.9% PSF	32,457	2,501	59	(1,946)	586	4	(4)	-	-	33,656	10	52
65	HAP 3-Step, Abatement through 12/31/2007, 10.5% PSF	32,435	2,511	59	(1,939)	585	4	(4)	-	-	33,651	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.6% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 11.0% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 10.1% PSF	96%	8%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 10.5% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 10.9% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.5% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 100% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

	Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
70	Act 13, Abatement through 12/31/2007, 12.0% PSF	32,425	2,509	59	(1,940)	581	-	-	-	-	33,635	12	58
75	Delayed Act 13, Abatement through 12/31/2007, 20.7% PSF	32,388	2,490	59	(1,935)	588	7	(7)	-	-	33,590	16	80
80	$50k Increases, Abatement through 12/31/2007, 10.8% PSF	32,368	2,511	59	(1,917)	586	5	(5)	-	-	33,607	23	115
85	$100k Increases, Abatement through 12/31/2007, 11.9% PSF	32,416	2,505	59	(1,941)	585	3	(3)	-	-	33,624	12	62
90	HAP 1-Step, Abatement through 12/31/2007, 13.8% PSF	32,433	2,499	59	(1,946)	586	4	(4)	-	-	33,631	10	52
95	HAP 3-Step, Abatement through 12/31/2007, 11.9% PSF	32,409	2,503	59	(1,939)	585	4	(4)	-	-	33,617	13	66
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 12.0% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 20.7% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 10.8% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 11.9% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 13.8% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 11.9% PSF	96%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

Note

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Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	110%

PSF Applied Incrementally at 110% PwC Mcare Projections, PSF NOT at least Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
11	Act 13, Abatement through 12/31/2007, 10.9% PSF	33,564	2,523	59	(2,122)	639	-	-	-	-	34,665	13	64
16	Delayed Act 13, Abatement through 12/31/2007, 10.7% PSF	33,531	2,531	59	(2,117)	647	7	(7)	-	-	34,651	18	89
21	$50K Increases, Abatement through 12/31/2007, 10.4% PSF	33,517	2,552	59	(2,097)	645	5	(5)	-	-	34,676	25	127
26	$100K Increases, Abatement through 12/31/2007, 10.9% PSF	33,557	2,525	59	(2,123)	643	4	(4)	-	-	34,660	14	69
31	HAP 1-Step, Abatement through 12/31/2007, 11.0% PSF	33,569	2,511	59	(2,129)	644	5	(5)	-	-	34,654	12	59
36	HAP 3-Step, Abatement through 12/31/2007, 10.8% PSF	33,550	2,528	59	(2,122)	644	4	(4)	-	-	34,659	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 10.9% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 10.7% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50K Increases, Abatement through 12/31/2007, 10.4% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100K Increases, Abatement through 12/31/2007, 10.9% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 11.0% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 10.8% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 110% PwC Mcare Projections, PSF at least 56% of Assessment

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
41	Act 13, Abatement through 12/31/2007, 11.6% PSF	33,540	2,523	59	(2,122)	639	-	-	-	-	34,640	13	64
46	Delayed Act 13, Abatement through 12/31/2007, 12.0% PSF	33,511	2,534	59	(2,117)	647	7	(7)	-	-	34,634	18	89
51	$50k Increases, Abatement through 12/31/2007, 10.9% PSF	33,488	2,550	59	(2,097)	645	5	(5)	-	-	34,646	25	127
56	$100k Increases, Abatement through 12/31/2007, 11.5% PSF	33,532	2,524	59	(2,123)	643	4	(4)	-	-	34,635	14	69
61	HAP 1-Step, Abatement through 12/31/2007, 12.4% PSF	33,547	2,512	59	(2,129)	644	5	(5)	-	-	34,633	12	59
66	HAP 3-Step, Abatement through 12/31/2007, 11.4% PSF	33,526	2,527	59	(2,122)	644	4	(4)	-	-	34,633	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 11.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, 12.0% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 10.9% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 11.5% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, 12.4% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 11.4% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

PSF Applied Cumulatively at 110% PwC Mcare Projections, PSF at least 56% of Assessment/100% when $1M primary limits

Page	Phase-out Assumptions, Legislative Scenario	Present Value Summary Through 2025: Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	Nominal Values: 2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
71	Act 13, Abatement through 12/31/2007, 17.6% PSF	33,501	2,512	59	(2,122)	639	-	-	-	-	34,590	13	64
76	Delayed Act 13, Abatement through 12/31/2007, NF* PSF	33,263	2,522	290	(2,117)	647	7	(7)	-	-	34,605	(505)	89
81	$50k Increases, Abatement through 12/31/2007, 13.7% PSF	33,443	2,504	59	(2,097)	645	5	(5)	-	-	34,554	25	127
86	$100k Increases, Abatement through 12/31/2007, 14.9% PSF	33,494	2,511	59	(2,123)	643	4	(4)	-	-	34,584	14	69
91	HAP 1-Step, Abatement through 12/31/2007, NF* PSF	33,454	2,514	121	(2,129)	644	5	(5)	-	-	34,603	(134)	59
96	HAP 3-Step, Abatement through 12/31/2007, 19.6% PSF	33,485	2,501	59	(2,122)	644	4	(4)	-	-	34,567	15	73
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007, 17.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	Delayed Act 13, Abatement through 12/31/2007, NF* PSF	96%	7%	1%	-6%	2%	0%	0%	0%	0%	100%		
	$50k Increases, Abatement through 12/31/2007, 13.7% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	$100k Increases, Abatement through 12/31/2007, 14.9% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 1-Step, Abatement through 12/31/2007, NF* PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		
	HAP 3-Step, Abatement through 12/31/2007, 19.6% PSF	97%	7%	0%	-6%	2%	0%	0%	0%	0%	100%		

Note

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Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,128	2,457	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,671		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	39	-	39	1,325
2007	958	233	2	1,193	958	108	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	(262)	1,157	8.5%	42	198	240	-	1,396	-	(0)	324	324	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	(255)	1,255	8.5%	42	194	236	-	1,491	-	(0)	315	315	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	(250)	1,361	8.5%	42	186	228	-	1,589	-	(0)	311	311	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	(377)	1,476	8.5%	42	304	346	-	1,823	-	(0)	185	185	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	(370)	1,601	8.5%	42	286	328	-	1,930	-	(0)	69	69	66	-	66	678
2013	1,849	188	3	2,041	1,849	241	(353)	1,737	8.5%	42	234	276	-	2,013	(28)	(28)	-	(28)	67	-	133	527
2014	1,996	155	7	2,158	1,996	214	(325)	1,885	8.5%	-	160	160	-	2,045	(113)	(140)	-	(140)	88	-	221	402
2015	2,153	119	12	2,284	2,153	184	(293)	2,044	8.5%	-	156	156	-	2,201	(83)	(224)	-	(224)	64	-	285	306
2016	2,323	88	15	2,426	2,323	147	(253)	2,218	8.5%	-	153	153	-	2,370	(56)	(280)	-	(280)	42	-	327	235
2017	2,507	65	17	2,590	2,507	115	(217)	2,406	8.5%	-	149	149	-	2,555	(35)	(314)	-	(314)	25	-	351	183
2018	2,706	48	18	2,772	2,706	92	(188)	2,610	8.5%	-	146	146	-	2,755	(17)	(331)	-	(331)	9	-	360	145
2019	2,920	37	19	2,975	2,920	74	(162)	2,831	8.5%	-	142	142	-	2,973	(2)	(333)	-	(333)	-	4	357	117
2020	3,151	28	19	3,197	3,151	61	(141)	3,071	8.5%	-	139	139	-	3,210	13	(321)	-	(321)	-	17	340	95
2021	3,400	22	18	3,440	3,400	50	(119)	3,331	8.5%	-	136	136	-	3,468	28	(293)	-	(293)	-	31	309	78
2022	3,670	18	16	3,704	3,670	42	(98)	3,614	8.5%	-	134	134	-	3,747	43	(250)	-	(250)	-	46	262	65
2023	3,960	14	14	3,988	3,960	35	(75)	3,920	8.5%	-	131	131	-	4,051	63	(187)	-	(187)	-	65	198	54
2024	4,274	11	10	4,296	4,274	27	(49)	4,252	8.5%	-	128	128	-	4,380	85	(102)	-	(102)	-	86	112	46
2025	4,613	9	6	4,628	4,613	19	(19)	4,613	8.5%	-	118	118	-	4,731	102	0	8	8	-	112	0	39
	48,486	2,419	176	51,082	48,486	2,831	(3,807)	47,510		336	3,174	3,510	3	51,022	-				400	400		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,253	2,477	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,683		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	82	-	82	1,537
2007	958	267	4	1,229	958	109	-	1,067	0.3%	42	113	155	0	1,223	(6)	(0)	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	(313)	1,163	9.0%	42	245	287	-	1,450	-	(0)	242	242	40	-	46	1,442
2009	1,273	274	2	1,550	1,273	297	(303)	1,267	9.0%	42	241	283	-	1,550	-	(0)	186	186	34	-	80	1,331
2010	1,371	279	4	1,655	1,371	306	(297)	1,380	9.0%	42	233	275	-	1,655	-	(0)	133	133	25	-	105	1,193
2011	1,633	273	6	1,912	1,633	313	(443)	1,504	9.0%	42	309	351	-	1,855	(57)	(57)	-	(57)	148	-	254	983
2012	1,763	251	13	2,027	1,763	315	(439)	1,638	9.0%	42	171	213	-	1,851	(176)	(233)	-	(233)	136	-	390	786
2013	1,903	218	20	2,141	1,903	299	(416)	1,785	9.0%	42	166	208	-	1,993	(148)	(382)	-	(382)	114	-	504	611
2014	2,054	180	26	2,260	2,054	269	(378)	1,945	9.0%	-	161	161	-	2,106	(154)	(535)	-	(535)	125	-	629	466
2015	2,217	138	33	2,388	2,217	234	(332)	2,119	9.0%	-	157	157	-	2,276	(112)	(648)	-	(648)	90	-	718	354
2016	2,393	102	38	2,532	2,393	193	(278)	2,309	9.0%	-	153	153	-	2,462	(71)	(718)	-	(718)	54	-	773	273
2017	2,583	75	41	2,699	2,583	156	(224)	2,515	9.0%	-	149	149	-	2,665	(35)	(753)	-	(753)	23	-	796	213
2018	2,789	56	42	2,887	2,789	129	(177)	2,740	9.0%	-	146	146	-	2,886	(0)	(753)	-	(753)	-	9	787	168
2019	3,011	42	41	3,095	3,011	107	(132)	2,986	9.0%	-	143	143	-	3,128	34	(720)	-	(720)	-	40	747	135
2020	3,251	32	39	3,322	3,251	90	(87)	3,253	9.0%	-	140	140	-	3,393	71	(649)	-	(649)	-	76	671	110
2021	3,510	25	35	3,570	3,510	74	(39)	3,544	9.0%	-	137	137	-	3,681	111	(539)	-	(539)	-	115	557	91
2022	3,789	21	29	3,839	3,789	60	-	3,849	8.6%	-	134	134	-	3,983	144	(395)	-	(395)	-	147	410	75
2023	4,091	16	22	4,129	4,091	46	-	4,137	7.5%	-	131	131	-	4,268	140	(255)	-	(255)	-	142	268	63
2024	4,417	13	14	4,444	4,417	33	-	4,450	7.6%	-	128	128	-	4,579	134	(121)	-	(121)	-	136	131	53
2025	4,769	11	7	4,787	4,769	22	-	4,791	7.7%	-	117	117	-	4,908	121	(0)	9	9	-	131	0	45
	49,894	2,764	418	53,076	49,894	3,473	(3,860)	49,507		336	3,171	3,507	3	53,016	-				872	872		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,365	2,497	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,688		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	123	-	123	1,746
2007	958	286	6	1,250	958	111	-	1,068	0.4%	42	134	176	0	1,245	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	(349)	1,170	9.5%	42	294	336	-	1,506	-	(0)	176	176	85	-	154	1,653
2009	1,294	311	8	1,612	1,294	341	(353)	1,282	9.5%	42	289	331	-	1,612	-	(0)	74	74	78	-	232	1,528
2010	1,394	320	12	1,727	1,394	355	(345)	1,404	9.5%	42	255	297	-	1,701	(25)	(25)	-	(25)	67	-	299	1,369
2011	1,677	315	16	2,008	1,677	370	(509)	1,538	9.5%	42	177	219	-	1,757	(251)	(277)	-	(277)	203	-	502	1,126
2012	1,811	288	26	2,126	1,811	376	(502)	1,685	9.5%	42	172	214	-	1,898	(227)	(504)	-	(504)	182	-	684	899
2013	1,956	250	36	2,242	1,956	356	(467)	1,845	9.5%	42	167	209	-	2,054	(188)	(692)	-	(692)	148	-	832	699
2014	2,112	206	44	2,361	2,112	323	(414)	2,021	9.5%	-	162	162	-	2,183	(178)	(870)	-	(870)	145	-	976	533
2015	2,280	158	51	2,490	2,280	282	(349)	2,214	9.5%	-	157	157	-	2,371	(118)	(988)	-	(988)	93	-	1,069	405
2016	2,463	116	56	2,635	2,463	236	(273)	2,425	9.5%	-	153	153	-	2,579	(56)	(1,044)	-	(1,044)	38	-	1,107	312
2017	2,660	86	58	2,804	2,660	192	(195)	2,657	9.5%	-	150	150	-	2,806	2	(1,042)	-	(1,042)	-	16	1,091	243
2018	2,872	64	57	2,994	2,872	158	(120)	2,910	9.5%	-	146	146	-	3,056	62	(980)	-	(980)	-	72	1,018	193
2019	3,102	49	53	3,204	3,102	129	(44)	3,187	9.5%	-	143	143	-	3,330	126	(854)	-	(854)	-	134	885	154
2020	3,350	37	46	3,433	3,350	105	-	3,455	8.4%	-	140	140	-	3,595	161	(693)	-	(693)	-	167	718	126
2021	3,619	29	38	3,685	3,619	82	-	3,700	7.1%	-	137	137	-	3,837	152	(541)	-	(541)	-	156	562	104
2022	3,908	24	29	3,962	3,908	64	-	3,973	7.4%	-	134	134	-	4,106	145	(396)	-	(396)	-	149	413	86
2023	4,222	19	22	4,262	4,222	50	-	4,271	7.5%	-	131	131	-	4,402	140	(256)	-	(256)	-	143	270	71
2024	4,560	15	14	4,589	4,560	36	-	4,596	7.6%	-	128	128	-	4,724	135	(120)	-	(120)	-	137	132	60
2025	4,925	12	7	4,944	4,925	24	-	4,949	7.7%	-	115	115	-	5,065	120	(0)	10	10	-	132	0	51
	51,302	3,109	585	54,996	51,302	4,032	(3,920)	51,415		336	3,183	3,519	3	54,936	-				1,161	1,161		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, NF*
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,467	2,512	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,679		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	164	-	164	1,951
2007	958	286	9	1,253	958	112	-	1,069	0.5%	42	135	177	0	1,247	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	(363)	1,178	10.2%	42	341	383	-	1,562	-	(0)	131	131	129	-	245	1,880
2009	1,315	348	13	1,675	1,315	384	(399)	1,299	10.2%	42	319	361	-	1,660	(15)	(15)	-	(15)	119	-	363	1,740
2010	1,417	363	19	1,799	1,417	403	(389)	1,431	10.2%	42	183	225	-	1,656	(143)	(158)	-	(158)	106	-	470	1,557
2011	1,721	360	25	2,107	1,721	427	(571)	1,577	10.2%	42	178	220	-	1,798	(309)	(467)	-	(467)	253	-	723	1,280
2012	1,859	328	38	2,226	1,859	438	(560)	1,738	10.2%	42	173	215	-	1,953	(273)	(740)	-	(740)	221	-	944	1,021
2013	2,009	285	50	2,343	2,009	416	(509)	1,915	10.2%	42	168	210	-	2,125	(218)	(958)	-	(958)	173	-	1,117	793
2014	2,170	233	59	2,461	2,170	378	(437)	2,111	10.2%	-	163	163	-	2,273	(188)	(1,147)	-	(1,147)	151	-	1,268	605
2015	2,344	180	67	2,590	2,344	329	(347)	2,326	10.2%	-	158	158	-	2,484	(106)	(1,253)	-	(1,253)	77	-	1,345	459
2016	2,532	132	71	2,735	2,532	275	(244)	2,563	10.2%	-	154	154	-	2,717	(17)	(1,270)	-	(1,270)	-	4	1,341	354
2017	2,736	97	70	2,904	2,736	222	(133)	2,825	10.2%	-	150	150	-	2,975	71	(1,199)	-	(1,199)	-	87	1,254	276
2018	2,956	73	66	3,094	2,956	180	(22)	3,113	10.2%	-	146	146	-	3,259	165	(1,034)	-	(1,034)	-	177	1,078	218
2019	3,193	55	57	3,305	3,193	142	-	3,336	7.2%	-	143	143	-	3,479	174	(860)	-	(860)	-	182	895	175
2020	3,450	41	47	3,539	3,450	112	-	3,563	6.8%	-	140	140	-	3,703	164	(697)	-	(697)	-	170	725	143
2021	3,728	33	38	3,799	3,728	87	-	3,815	7.1%	-	137	137	-	3,952	153	(543)	-	(543)	-	158	567	118
2022	4,028	27	30	4,084	4,028	69	-	4,097	7.4%	-	134	134	-	4,230	146	(397)	-	(397)	-	150	417	97
2023	4,352	21	22	4,395	4,352	54	-	4,406	7.5%	-	131	131	-	4,537	141	(256)	-	(256)	-	145	272	81
2024	4,703	17	14	4,734	4,703	39	-	4,742	7.6%	-	128	128	-	4,870	136	(120)	-	(120)	-	139	133	68
2025	5,081	14	7	5,102	5,081	27	-	5,108	7.7%	-	114	114	-	5,222	120	(0)	12	12	-	133	0	58
	52,711	3,453	705	56,869	52,711	4,540	(3,976)	53,275		336	3,196	3,532	3	56,809	-				1,394	1,394		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,564	2,523	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,665		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	206	-	206	2,156
2007	958	286	11	1,255	958	113	-	1,070	0.6%	42	136	178	0	1,249	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	(375)	1,187	10.9%	42	388	430	-	1,617	-	0	87	87	172	-	334	2,106
2009	1,335	385	18	1,737	1,335	426	(445)	1,317	10.9%	42	277	319	-	1,636	(102)	(102)	-	(102)	158	-	492	1,952
2010	1,440	406	26	1,872	1,440	451	(430)	1,461	10.9%	42	185	227	-	1,688	(183)	(285)	-	(285)	142	-	634	1,746
2011	1,766	406	33	2,205	1,766	483	(628)	1,621	10.9%	42	180	222	-	1,843	(362)	(646)	-	(646)	299	-	933	1,434
2012	1,908	369	49	2,326	1,908	500	(610)	1,798	10.9%	42	174	216	-	2,014	(311)	(958)	-	(958)	253	-	1,186	1,143
2013	2,062	320	62	2,444	2,062	474	(541)	1,995	10.9%	42	169	211	-	2,206	(238)	(1,196)	-	(1,196)	187	-	1,373	887
2014	2,228	261	72	2,561	2,228	431	(446)	2,213	10.9%	-	163	163	-	2,376	(184)	(1,380)	-	(1,380)	142	-	1,515	677
2015	2,408	201	80	2,688	2,408	374	(327)	2,455	10.9%	-	159	159	-	2,614	(75)	(1,455)	-	(1,455)	42	-	1,558	514
2016	2,602	147	82	2,831	2,602	311	(190)	2,724	10.9%	-	154	154	-	2,878	47	(1,408)	-	(1,408)	-	70	1,487	395
2017	2,812	109	78	2,999	2,812	248	(39)	3,021	10.9%	-	150	150	-	3,172	173	(1,236)	-	(1,236)	-	190	1,297	309
2018	3,039	82	68	3,189	3,039	195	-	3,234	7.0%	-	147	147	-	3,380	191	(1,044)	-	(1,044)	-	204	1,093	244
2019	3,285	62	57	3,404	3,285	153	-	3,438	6.3%	-	143	143	-	3,581	177	(867)	-	(867)	-	187	906	195
2020	3,550	46	48	3,644	3,550	120	-	3,670	6.8%	-	140	140	-	3,810	167	(700)	-	(700)	-	174	732	160
2021	3,837	36	38	3,912	3,837	93	-	3,930	7.1%	-	137	137	-	4,067	155	(545)	-	(545)	-	161	572	132
2022	4,147	30	30	4,207	4,147	73	-	4,220	7.4%	-	134	134	-	4,354	147	(398)	-	(398)	-	152	420	109
2023	4,483	24	22	4,529	4,483	57	-	4,540	7.6%	-	131	131	-	4,671	142	(256)	-	(256)	-	146	274	91
2024	4,845	19	14	4,879	4,845	42	-	4,887	7.7%	-	128	128	-	5,016	137	(119)	-	(119)	-	140	134	76
2025	5,237	16	7	5,260	5,237	29	-	5,266	7.8%	-	113	113	-	5,379	119	(0)	13	13	-	134	0	64
	54,119	3,797	804	58,719	54,119	5,024	(4,029)	55,113		336	3,208	3,544	3	58,660	-				1,601	1,601		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,112	2,452	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,657		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	46	-	46	1,360
2007	958	233	2	1,193	958	109	-	1,066	0.3%	42	79	121	0	1,187	(6)	(0)	332	332	-	46	-	1,401
2008	1,030	236	-	1,265	1,030	256	(129)	1,157	8.5%	42	66	108	-	1,265	-	(0)	455	455	-	-	-	1,429
2009	1,107	245	-	1,352	1,107	259	(111)	1,255	8.5%	42	55	97	-	1,352	-	(0)	591	591	-	-	-	1,440
2010	1,349	259	-	1,608	1,349	270	(258)	1,361	8.5%	42	205	247	-	1,608	-	(0)	579	579	-	-	-	1,370
2011	1,453	272	-	1,724	1,453	285	(261)	1,476	8.5%	42	206	248	-	1,724	-	(0)	562	562	-	-	-	1,264
2012	1,565	276	-	1,841	1,565	299	(262)	1,601	8.5%	42	197	239	-	1,841	-	(0)	550	550	-	-	-	1,131
2013	1,849	266	-	2,115	1,849	303	(416)	1,737	8.5%	42	336	378	-	2,115	-	(0)	395	395	-	-	-	926
2014	1,996	241	-	2,237	1,996	292	(404)	1,884	8.5%	-	353	353	-	2,237	-	(0)	214	214	-	-	-	735
2015	2,153	207	-	2,361	2,153	265	(375)	2,043	8.5%	-	317	317	-	2,361	-	(0)	58	58	55	-	55	569
2016	2,323	172	3	2,499	2,323	231	(338)	2,217	8.5%	-	213	213	-	2,430	(69)	(69)	-	(69)	99	-	155	429
2017	2,507	132	8	2,647	2,507	198	(301)	2,404	8.5%	-	151	151	-	2,555	(92)	(161)	-	(161)	71	-	226	322
2018	2,706	95	12	2,813	2,706	158	(256)	2,608	8.5%	-	147	147	-	2,755	(58)	(219)	-	(219)	43	-	268	245
2019	2,920	69	14	3,003	2,920	120	(211)	2,829	8.5%	-	143	143	-	2,972	(31)	(250)	-	(250)	20	-	288	189
2020	3,151	51	15	3,217	3,151	93	(175)	3,068	8.5%	-	140	140	-	3,208	(9)	(259)	-	(259)	0	-	289	149
2021	3,400	39	15	3,455	3,400	73	(145)	3,328	8.5%	-	137	137	-	3,465	11	(248)	-	(248)	-	17	272	118
2022	3,670	29	14	3,713	3,670	59	(118)	3,610	8.5%	-	134	134	-	3,744	31	(217)	-	(217)	-	36	236	95
2023	3,960	22	12	3,995	3,960	45	(90)	3,916	8.5%	-	131	131	-	4,047	52	(165)	-	(165)	-	56	180	78
2024	4,274	18	9	4,301	4,274	35	(61)	4,248	8.5%	-	128	128	-	4,376	75	(90)	-	(90)	-	77	103	65
2025	4,613	14	5	4,632	4,613	25	(31)	4,608	8.5%	-	115	115	-	4,722	90	(0)	11	11	-	103	-	54
	47,922	3,098	111	51,132	47,922	3,501	(3,943)	47,480		336	3,254	3,590	3	51,072	-				335	335		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,226	2,465	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,653		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	90	-	90	1,577
2007	958	267	5	1,229	958	110	-	1,067	0.4%	42	114	156	0	1,223	(6)	(0)	299	299	-	63	26	1,625
2008	1,030	270	1	1,300	1,030	295	(162)	1,163	8.9%	42	96	138	-	1,300	-	(0)	392	392	-	26	-	1,657
2009	1,107	282	-	1,389	1,107	296	(137)	1,266	8.9%	42	80	122	-	1,389	-	(0)	501	501	-	-	-	1,669
2010	1,371	301	-	1,672	1,371	310	(302)	1,379	8.9%	42	251	293	-	1,672	-	(0)	439	439	-	-	-	1,586
2011	1,478	317	-	1,794	1,478	331	(306)	1,502	8.9%	42	250	292	-	1,794	-	(0)	373	373	-	-	-	1,460
2012	1,592	320	-	1,911	1,592	348	(304)	1,636	8.9%	42	233	275	-	1,911	-	(0)	318	318	-	-	-	1,304
2013	1,903	307	-	2,210	1,903	352	(472)	1,782	8.9%	42	386	428	-	2,210	-	(0)	104	104	109	-	109	1,066
2014	2,054	278	6	2,337	2,054	344	(457)	1,941	8.9%	-	269	269	-	2,211	(127)	(127)	-	(127)	187	-	296	847
2015	2,217	239	16	2,472	2,217	323	(425)	2,115	8.9%	-	160	160	-	2,275	(197)	(324)	-	(324)	159	-	455	655
2016	2,393	198	24	2,615	2,393	289	(379)	2,303	8.9%	-	155	155	-	2,459	(156)	(480)	-	(480)	124	-	579	494
2017	2,583	152	30	2,765	2,583	251	(326)	2,509	8.9%	-	151	151	-	2,660	(106)	(586)	-	(586)	81	-	660	371
2018	2,789	110	35	2,933	2,789	205	(261)	2,733	8.9%	-	147	147	-	2,880	(54)	(640)	-	(640)	36	-	696	282
2019	3,011	80	37	3,127	3,011	161	(196)	2,976	8.9%	-	144	144	-	3,120	(7)	(647)	-	(647)	-	5	691	218
2020	3,251	59	36	3,345	3,251	128	(136)	3,242	8.9%	-	140	140	-	3,382	37	(611)	-	(611)	-	46	645	172
2021	3,510	45	34	3,588	3,510	102	(80)	3,531	8.9%	-	137	137	-	3,668	80	(531)	-	(531)	-	87	558	136
2022	3,789	33	29	3,852	3,789	82	(25)	3,846	8.9%	-	134	134	-	3,980	128	(402)	-	(402)	-	134	424	110
2023	4,091	26	22	4,139	4,091	61	-	4,152	8.0%	-	131	131	-	4,283	144	(258)	-	(258)	-	148	276	90
2024	4,417	21	14	4,452	4,417	44	-	4,461	7.4%	-	128	128	-	4,590	137	(120)	-	(120)	-	141	135	75
2025	4,769	16	7	4,792	4,769	30	-	4,800	7.6%	-	113	113	-	4,913	120	(0)	13	13	-	135	-	63
	49,250	3,540	296	53,086	49,250	4,187	(3,967)	49,469		336	3,219	3,555	3	53,027	-				786	786		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,333	2,486	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,653		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	132	-	132	1,791
2007	958	286	7	1,251	958	111	-	1,068	0.5%	42	134	176	0	1,245	(6)	(0)	280	280	-	40	92	1,859
2008	1,030	304	5	1,338	1,030	320	(180)	1,170	9.5%	42	127	169	-	1,338	-	(0)	344	344	-	57	35	1,896
2009	1,107	319	2	1,428	1,107	336	(163)	1,280	9.5%	42	106	148	-	1,428	-	(0)	427	427	-	35	-	1,908
2010	1,394	344	-	1,738	1,394	351	(344)	1,401	9.5%	42	295	337	-	1,738	-	(0)	318	318	44	-	44	1,811
2011	1,502	364	2	1,869	1,502	381	(350)	1,534	9.5%	42	293	335	-	1,869	-	(0)	206	206	83	-	127	1,662
2012	1,619	365	7	1,991	1,619	408	(348)	1,679	9.5%	42	270	312	-	1,991	-	(0)	111	111	58	-	185	1,483
2013	1,956	351	10	2,316	1,956	413	(531)	1,837	9.5%	42	283	325	-	2,162	(154)	(154)	-	(154)	211	-	396	1,211
2014	2,112	316	21	2,448	2,112	409	(509)	2,011	9.5%	-	166	166	-	2,177	(271)	(425)	-	(425)	221	-	617	962
2015	2,280	272	32	2,585	2,280	383	(462)	2,201	9.5%	-	161	161	-	2,362	(223)	(648)	-	(648)	179	-	796	743
2016	2,463	225	42	2,729	2,463	345	(398)	2,410	9.5%	-	156	156	-	2,566	(164)	(811)	-	(811)	127	-	924	561
2017	2,660	172	48	2,880	2,660	301	(323)	2,637	9.5%	-	152	152	-	2,789	(91)	(902)	-	(902)	63	-	987	421
2018	2,872	125	52	3,049	2,872	246	(232)	2,887	9.5%	-	148	148	-	3,034	(15)	(917)	-	(917)	-	5	981	321
2019	3,102	90	52	3,244	3,102	194	(136)	3,160	9.5%	-	144	144	-	3,304	59	(858)	-	(858)	-	74	907	248
2020	3,350	66	48	3,464	3,350	152	(44)	3,459	9.5%	-	140	140	-	3,599	135	(723)	-	(723)	-	145	762	195
2021	3,619	51	40	3,710	3,619	117	-	3,736	8.0%	-	137	137	-	3,873	163	(560)	-	(560)	-	171	591	155
2022	3,908	38	31	3,977	3,908	90	-	3,999	7.0%	-	134	134	-	4,133	155	(404)	-	(404)	-	161	430	125
2023	4,222	29	23	4,273	4,222	67	-	4,288	7.2%	-	131	131	-	4,419	146	(258)	-	(258)	-	151	279	103
2024	4,560	23	15	4,598	4,560	48	-	4,608	7.5%	-	129	129	-	4,737	139	(120)	-	(120)	-	142	137	85
2025	4,925	18	7	4,951	4,925	34	-	4,959	7.6%	-	112	112	-	5,070	120	0	14	14	-	137	-	71
	50,577	3,982	442	55,001	50,577	4,829	(4,020)	51,387		336	3,217	3,553	3	54,942	-				1,119	1,119		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,433	2,511	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,656		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	174	-	174	2,001
2007	958	286	9	1,253	958	112	-	1,070	0.6%	42	136	178	0	1,247	(6)	(0)	280	280	-	33	141	2,107
2008	1,030	338	7	1,375	1,030	323	(176)	1,177	10.0%	42	156	198	-	1,375	-	(0)	317	317	-	29	112	2,150
2009	1,107	357	6	1,470	1,107	378	(190)	1,295	10.0%	42	132	174	-	1,470	-	(0)	375	375	-	55	57	2,162
2010	1,417	390	3	1,810	1,417	396	(388)	1,425	10.0%	42	343	385	-	1,810	-	(0)	219	219	133	-	190	2,049
2011	1,527	415	10	1,952	1,527	440	(399)	1,569	10.0%	42	341	383	-	1,952	-	(0)	60	60	124	-	315	1,876
2012	1,646	414	17	2,077	1,646	474	(394)	1,726	10.0%	42	238	280	-	2,006	(71)	(71)	-	(71)	90	-	405	1,669
2013	2,009	397	21	2,426	2,009	479	(588)	1,899	10.0%	42	173	215	-	2,114	(312)	(383)	-	(383)	251	-	655	1,362
2014	2,170	355	34	2,560	2,170	474	(554)	2,090	10.0%	-	167	167	-	2,257	(302)	(685)	-	(685)	246	-	902	1,081
2015	2,344	306	47	2,698	2,344	443	(487)	2,300	10.0%	-	162	162	-	2,462	(236)	(921)	-	(921)	186	-	1,088	835
2016	2,532	252	57	2,842	2,532	400	(401)	2,531	10.0%	-	157	157	-	2,688	(154)	(1,075)	-	(1,075)	113	-	1,201	631
2017	2,736	193	63	2,992	2,736	347	(297)	2,786	10.0%	-	152	152	-	2,938	(54)	(1,129)	-	(1,129)	23	-	1,223	474
2018	2,956	140	64	3,160	2,956	283	(173)	3,065	10.0%	-	148	148	-	3,213	53	(1,076)	-	(1,076)	-	76	1,148	360
2019	3,193	102	60	3,355	3,193	221	(41)	3,373	10.0%	-	144	144	-	3,517	162	(914)	-	(914)	-	178	970	279
2020	3,450	74	51	3,576	3,450	168	-	3,618	7.3%	-	141	141	-	3,759	183	(730)	-	(730)	-	195	774	220
2021	3,728	57	41	3,826	3,728	127	-	3,854	6.5%	-	137	137	-	3,992	166	(564)	-	(564)	-	175	599	175
2022	4,028	43	31	4,102	4,028	98	-	4,125	7.0%	-	134	134	-	4,260	158	(407)	-	(407)	-	164	435	141
2023	4,352	33	23	4,408	4,352	72	-	4,424	7.2%	-	131	131	-	4,556	148	(259)	-	(259)	-	153	282	116
2024	4,703	27	15	4,744	4,703	53	-	4,755	7.5%	-	129	129	-	4,884	140	(119)	-	(119)	-	144	138	96
2025	5,081	21	7	5,109	5,081	37	-	5,118	7.6%	-	110	110	-	5,228	119	0	16	16	-	138	-	80
	51,905	4,423	568	56,895	51,905	5,448	(4,087)	53,267		336	3,231	3,567	3	56,836	-				1,341	1,341		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,531	2,531	59	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,651		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	217	-	217	2,211
2007	958	286	11	1,255	958	113	-	1,071	0.7%	42	137	179	0	1,250	(6)	(0)	281	281	-	26	190	2,355
2008	1,030	372	10	1,412	1,030	326	(170)	1,185	10.7%	42	185	227	-	1,412	-	(0)	291	291	-	1	190	2,403
2009	1,107	395	10	1,511	1,107	421	(216)	1,311	10.7%	42	158	200	-	1,511	-	(0)	325	325	-	31	158	2,417
2010	1,440	435	8	1,883	1,440	443	(432)	1,451	10.7%	42	390	432	-	1,883	-	(0)	124	124	175	-	334	2,287
2011	1,552	465	18	2,035	1,552	498	(444)	1,606	10.7%	42	308	350	-	1,956	(79)	(79)	-	(79)	163	-	497	2,089
2012	1,673	464	26	2,163	1,673	541	(436)	1,778	10.7%	42	179	221	-	1,999	(164)	(243)	-	(243)	117	-	614	1,856
2013	2,062	442	32	2,536	2,062	545	(640)	1,967	10.7%	42	174	216	-	2,184	(353)	(595)	-	(595)	284	-	898	1,513
2014	2,228	395	47	2,670	2,228	538	(589)	2,177	10.7%	-	168	168	-	2,346	(325)	(920)	-	(920)	262	-	1,160	1,201
2015	2,408	340	61	2,809	2,408	502	(500)	2,410	10.7%	-	163	163	-	2,572	(237)	(1,157)	-	(1,157)	182	-	1,342	928
2016	2,602	280	70	2,953	2,602	452	(387)	2,667	10.7%	-	157	157	-	2,824	(128)	(1,285)	-	(1,285)	83	-	1,425	700
2017	2,812	214	75	3,101	2,812	391	(251)	2,951	10.7%	-	153	153	-	3,104	3	(1,282)	-	(1,282)	-	38	1,387	527
2018	3,039	156	73	3,268	3,039	315	(88)	3,266	10.7%	-	148	148	-	3,415	147	(1,135)	-	(1,135)	-	172	1,215	400
2019	3,285	113	64	3,461	3,285	242	-	3,526	8.0%	-	144	144	-	3,671	209	(926)	-	(926)	-	228	988	310
2020	3,550	82	52	3,684	3,550	181	-	3,731	5.8%	-	141	141	-	3,872	188	(738)	-	(738)	-	201	787	244
2021	3,837	63	41	3,942	3,837	136	-	3,973	6.5%	-	138	138	-	4,111	169	(569)	-	(569)	-	179	608	194
2022	4,147	47	32	4,227	4,147	105	-	4,252	7.0%	-	134	134	-	4,387	160	(409)	-	(409)	-	167	440	157
2023	4,483	37	23	4,543	4,483	78	-	4,560	7.2%	-	132	132	-	4,692	149	(259)	-	(259)	-	155	285	129
2024	4,845	30	15	4,890	4,845	57	-	4,902	7.5%	-	129	129	-	5,031	141	(118)	-	(118)	-	146	140	106
2025	5,237	23	7	5,268	5,237	41	-	5,278	7.7%	-	108	108	-	5,386	118	(0)	18	18	-	140	-	89
	53,233	4,864	676	58,772	53,233	6,049	(4,154)	55,127		336	3,247	3,583	3	58,713	-				1,483	1,483		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,095	2,448	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,648		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	45	-	45	1,351
2007	958	233	2	1,193	958	109	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,376
2008	1,059	235	-	1,295	1,059	256	(159)	1,157	8.5%	42	96	138	-	1,295	-	(0)	425	425	-	-	-	1,390
2009	1,170	243	-	1,413	1,170	259	(174)	1,254	8.5%	42	117	159	-	1,413	-	(0)	498	498	-	-	-	1,385
2010	1,290	254	-	1,545	1,290	268	(198)	1,361	8.5%	42	142	184	-	1,545	-	(0)	545	545	-	-	-	1,356
2011	1,422	263	-	1,685	1,422	280	(226)	1,476	8.5%	42	167	209	-	1,685	-	(0)	566	566	-	-	-	1,302
2012	1,565	266	-	1,831	1,565	290	(254)	1,601	8.5%	42	188	230	-	1,831	-	(0)	564	564	-	-	-	1,225
2013	1,721	260	-	1,981	1,721	292	(277)	1,736	8.5%	42	203	245	-	1,981	-	(0)	543	543	-	-	-	1,129
2014	1,892	248	-	2,140	1,892	286	(295)	1,883	8.5%	-	257	257	-	2,140	-	(0)	464	464	-	-	-	1,014
2015	2,079	231	-	2,310	2,079	272	(309)	2,043	8.5%	-	268	268	-	2,310	-	(0)	368	368	-	-	-	881
2016	2,283	213	-	2,496	2,283	255	(322)	2,215	8.5%	-	281	281	-	2,496	-	(0)	252	252	-	-	-	737
2017	2,507	190	-	2,697	2,507	234	(338)	2,403	8.5%	-	294	294	-	2,697	-	(0)	115	115	2	-	2	587
2018	2,706	163	0	2,869	2,706	209	(308)	2,606	8.5%	-	263	263	-	2,869	-	(0)	1	1	88	-	90	456
2019	2,920	134	5	3,058	2,920	185	(278)	2,827	8.5%	-	146	146	-	2,973	(85)	(85)	-	(85)	65	-	155	348
2020	3,151	105	8	3,264	3,151	156	(241)	3,066	8.5%	-	141	141	-	3,207	(56)	(141)	-	(141)	39	-	194	264
2021	3,400	78	10	3,488	3,400	126	(201)	3,326	8.5%	-	138	138	-	3,463	(25)	(166)	-	(166)	12	-	206	201
2022	3,670	57	11	3,737	3,670	98	(160)	3,607	8.5%	-	135	135	-	3,742	4	(162)	-	(162)	-	13	193	155
2023	3,960	42	10	4,012	3,960	74	(122)	3,913	8.5%	-	132	132	-	4,044	32	(130)	-	(130)	-	38	155	122
2024	4,274	31	8	4,314	4,274	55	(86)	4,244	8.5%	-	129	129	-	4,372	59	(72)	-	(72)	-	64	91	97
2025	4,613	24	5	4,642	4,613	40	(50)	4,603	8.5%	-	110	110	-	4,713	72	(0)	16	16	-	91	-	79
	47,579	3,493	59	51,131	47,579	3,867	(3,997)	47,450		336	3,284	3,620	3	51,072	-				251	251		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,203	2,464	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,644		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	88	-	88	1,567
2007	958	267	5	1,229	958	110	-	1,067	0.4%	42	114	156	0	1,223	(6)	0	299	299	-	67	20	1,596
2008	1,064	269	1	1,334	1,064	294	(196)	1,162	8.9%	42	130	172	-	1,334	-	0	358	358	-	20	-	1,612
2009	1,179	280	-	1,459	1,179	296	(209)	1,266	8.9%	42	151	193	-	1,459	-	0	394	394	-	-	-	1,606
2010	1,305	296	-	1,600	1,305	308	(234)	1,378	8.9%	42	180	222	-	1,600	-	0	399	399	-	-	-	1,570
2011	1,442	307	-	1,749	1,442	325	(266)	1,501	8.9%	42	206	248	-	1,749	-	0	375	375	-	-	-	1,503
2012	1,592	308	-	1,900	1,592	338	(295)	1,634	8.9%	42	224	266	-	1,900	-	0	329	329	-	-	-	1,412
2013	1,756	301	-	2,057	1,756	339	(315)	1,779	8.9%	42	235	277	-	2,057	-	0	266	266	-	-	-	1,298
2014	1,935	285	-	2,221	1,935	331	(328)	1,938	8.9%	-	283	283	-	2,221	-	0	150	150	83	-	83	1,166
2015	2,132	267	4	2,403	2,132	319	(340)	2,110	8.9%	-	293	293	-	2,403	-	0	20	20	100	-	182	1,012
2016	2,347	244	10	2,601	2,347	304	(353)	2,298	8.9%	-	178	178	-	2,476	(125)	(125)	-	(125)	112	-	294	846
2017	2,583	218	15	2,817	2,583	286	(367)	2,502	8.9%	-	154	154	-	2,656	(161)	(286)	-	(286)	127	-	421	674
2018	2,789	187	22	2,999	2,789	264	(329)	2,724	8.9%	-	150	150	-	2,874	(125)	(411)	-	(411)	95	-	516	524
2019	3,011	153	27	3,191	3,011	236	(280)	2,967	8.9%	-	145	145	-	3,112	(79)	(490)	-	(490)	54	-	570	400
2020	3,251	120	30	3,400	3,251	202	(222)	3,231	8.9%	-	142	142	-	3,372	(28)	(518)	-	(518)	9	-	579	303
2021	3,510	89	30	3,629	3,510	165	(157)	3,518	8.9%	-	138	138	-	3,656	27	(492)	-	(492)	-	41	538	231
2022	3,789	65	28	3,883	3,789	129	(88)	3,831	8.9%	-	135	135	-	3,965	83	(409)	-	(409)	-	93	445	178
2023	4,091	48	23	4,163	4,091	98	(17)	4,171	8.9%	-	132	132	-	4,303	140	(268)	-	(268)	-	148	296	140
2024	4,417	36	16	4,469	4,417	70	-	4,487	7.6%	-	129	129	-	4,616	147	(121)	-	(121)	-	153	143	112
2025	4,769	27	8	4,804	4,769	48	-	4,817	7.3%	-	108	108	-	4,925	121	(0)	18	18	-	143	-	90
	48,858	3,991	219	53,068	48,858	4,586	(3,999)	49,445		336	3,225	3,561	3	53,009	-				667	667		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,313	2,501	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,664		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	130	-	130	1,780
2007	958	286	7	1,251	958	111	-	1,068	0.5%	42	134	176	0	1,245	(6)	(0)	280	280	-	45	86	1,826
2008	1,068	303	4	1,376	1,068	320	(219)	1,169	9.4%	42	165	207	-	1,376	-	(0)	306	306	-	22	63	1,845
2009	1,188	317	3	1,508	1,188	337	(247)	1,278	9.4%	42	188	230	-	1,508	-	(0)	305	305	-	1	62	1,838
2010	1,319	338	3	1,661	1,319	352	(273)	1,398	9.4%	42	221	263	-	1,661	-	(0)	269	269	27	-	90	1,793
2011	1,462	353	5	1,820	1,462	377	(310)	1,529	9.4%	42	249	291	-	1,820	-	(0)	200	200	52	-	142	1,711
2012	1,619	353	7	1,979	1,619	397	(343)	1,673	9.4%	42	264	306	-	1,979	-	(0)	113	113	66	-	208	1,604
2013	1,791	343	11	2,145	1,791	400	(361)	1,830	9.4%	42	273	315	-	2,145	-	(0)	12	12	74	-	283	1,472
2014	1,979	324	15	2,318	1,979	394	(371)	2,001	9.4%	-	180	180	-	2,181	(137)	(137)	-	(137)	118	-	401	1,320
2015	2,185	303	21	2,509	2,185	380	(376)	2,189	9.4%	-	164	164	-	2,353	(156)	(292)	-	(292)	121	-	521	1,145
2016	2,411	277	27	2,715	2,411	363	(380)	2,394	9.4%	-	159	159	-	2,554	(162)	(454)	-	(454)	124	-	645	956
2017	2,660	247	34	2,940	2,660	342	(382)	2,619	9.4%	-	155	155	-	2,774	(166)	(620)	-	(620)	127	-	773	762
2018	2,872	212	41	3,125	2,872	316	(324)	2,865	9.4%	-	150	150	-	3,015	(110)	(730)	-	(730)	76	-	849	592
2019	3,102	173	45	3,320	3,102	282	(251)	3,133	9.4%	-	146	146	-	3,279	(41)	(771)	-	(771)	13	-	862	452
2020	3,350	135	45	3,531	3,350	241	(164)	3,427	9.4%	-	142	142	-	3,569	39	(732)	-	(732)	-	60	801	343
2021	3,619	101	42	3,762	3,619	195	(65)	3,749	9.4%	-	138	138	-	3,887	126	(607)	-	(607)	-	142	659	261
2022	3,908	74	35	4,017	3,908	149	-	4,058	8.2%	-	135	135	-	4,193	176	(431)	-	(431)	-	187	472	202
2023	4,222	55	25	4,301	4,222	109	-	4,330	6.7%	-	132	132	-	4,462	161	(270)	-	(270)	-	170	302	159
2024	4,560	41	16	4,616	4,560	78	-	4,637	7.1%	-	129	129	-	4,766	150	(120)	-	(120)	-	156	146	127
2025	4,925	31	8	4,964	4,925	53	-	4,978	7.4%	-	106	106	-	5,084	120	(0)	21	21	-	146	-	103
	50,136	4,489	393	55,019	50,136	5,320	(4,065)	51,391		336	3,230	3,566	3	54,959	-				930	930		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,416	2,530	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,675		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	172	-	172	1,989
2007	958	286	9	1,253	958	112	-	1,070	0.6%	42	135	177	0	1,247	(6)	(0)	280	280	-	38	134	2,071
2008	1,072	338	7	1,417	1,072	323	(219)	1,175	9.9%	42	199	241	-	1,417	-	(0)	274	274	11	-	145	2,093
2009	1,197	355	8	1,559	1,197	380	(285)	1,292	9.9%	42	226	268	-	1,559	-	(0)	238	238	34	-	179	2,084
2010	1,333	383	9	1,726	1,333	400	(314)	1,420	9.9%	42	265	307	-	1,726	-	(0)	159	159	68	-	247	2,029
2011	1,483	403	13	1,898	1,483	436	(359)	1,560	9.9%	42	296	338	-	1,898	-	(0)	45	45	94	-	341	1,930
2012	1,646	400	18	2,064	1,646	463	(394)	1,715	9.9%	42	223	265	-	1,980	(84)	(84)	-	(84)	104	-	445	1,804
2013	1,825	388	23	2,237	1,825	466	(407)	1,884	9.9%	42	174	216	-	2,100	(137)	(221)	-	(221)	106	-	551	1,652
2014	2,022	365	29	2,416	2,022	459	(410)	2,071	9.9%	-	169	169	-	2,240	(175)	(396)	-	(396)	141	-	692	1,479
2015	2,238	340	36	2,614	2,238	441	(403)	2,276	9.9%	-	165	165	-	2,441	(173)	(569)	-	(569)	134	-	826	1,282
2016	2,475	310	43	2,829	2,475	422	(396)	2,501	9.9%	-	160	160	-	2,662	(167)	(736)	-	(736)	124	-	950	1,070
2017	2,736	276	50	3,062	2,736	396	(383)	2,749	9.9%	-	156	156	-	2,905	(157)	(893)	-	(893)	113	-	1,064	852
2018	2,956	237	56	3,249	2,956	365	(299)	3,021	9.9%	-	151	151	-	3,172	(77)	(970)	-	(970)	39	-	1,103	663
2019	3,193	194	58	3,445	3,193	325	(198)	3,320	9.9%	-	147	147	-	3,467	22	(948)	-	(948)	-	53	1,050	506
2020	3,450	151	55	3,656	3,450	274	(75)	3,649	9.9%	-	142	142	-	3,791	135	(813)	-	(813)	-	160	890	384
2021	3,728	113	47	3,887	3,728	217	-	3,945	8.1%	-	139	139	-	4,084	197	(617)	-	(617)	-	215	675	293
2022	4,028	83	35	4,146	4,028	163	-	4,191	6.2%	-	135	135	-	4,326	180	(436)	-	(436)	-	193	482	227
2023	4,352	61	25	4,439	4,352	119	-	4,471	6.7%	-	132	132	-	4,603	164	(272)	-	(272)	-	174	308	178
2024	4,703	46	16	4,764	4,703	85	-	4,788	7.1%	-	129	129	-	4,917	152	(120)	-	(120)	-	160	148	142
2025	5,081	35	8	5,124	5,081	59	-	5,140	7.4%	-	103	103	-	5,243	120	(0)	23	23	-	148	-	115
	51,415	4,986	546	56,947	51,415	6,029	(4,142)	53,302		336	3,248	3,584	3	56,888	-				1,141	1,141		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,517	2,552	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,676		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	214	-	214	2,198
2007	958	286	11	1,255	958	113	-	1,071	0.7%	42	137	179	0	1,249	(6)	(0)	281	281	-	32	182	2,315
2008	1,077	372	10	1,458	1,077	325	(220)	1,182	10.4%	42	234	276	-	1,458	-	(0)	242	242	44	-	226	2,341
2009	1,206	392	12	1,610	1,206	422	(323)	1,306	10.4%	42	262	304	-	1,610	-	(0)	171	171	69	-	295	2,331
2010	1,348	428	15	1,791	1,348	448	(354)	1,442	10.4%	42	307	349	-	1,791	-	(0)	52	52	106	-	401	2,265
2011	1,503	452	21	1,976	1,503	494	(405)	1,593	10.4%	42	236	278	-	1,870	(106)	(106)	-	(106)	134	-	536	2,149
2012	1,673	448	28	2,149	1,673	528	(443)	1,759	10.4%	42	180	222	-	1,981	(168)	(274)	-	(274)	139	-	675	2,004
2013	1,860	433	35	2,329	1,860	532	(449)	1,942	10.4%	42	175	217	-	2,160	(169)	(443)	-	(443)	134	-	810	1,832
2014	2,065	406	43	2,513	2,065	523	(443)	2,145	10.4%	-	171	171	-	2,316	(197)	(641)	-	(641)	159	-	968	1,639
2015	2,291	378	51	2,719	2,291	502	(424)	2,369	10.4%	-	166	166	-	2,535	(184)	(825)	-	(825)	140	-	1,108	1,419
2016	2,539	344	58	2,941	2,539	480	(402)	2,616	10.4%	-	161	161	-	2,778	(163)	(988)	-	(988)	116	-	1,224	1,183
2017	2,812	305	64	3,181	2,812	449	(371)	2,889	10.4%	-	157	157	-	3,046	(135)	(1,123)	-	(1,123)	87	-	1,312	943
2018	3,039	263	69	3,371	3,039	411	(259)	3,191	10.4%	-	152	152	-	3,343	(28)	(1,151)	-	(1,151)	-	14	1,298	733
2019	3,285	214	68	3,567	3,285	364	(124)	3,524	10.4%	-	147	147	-	3,671	104	(1,047)	-	(1,047)	-	139	1,159	560
2020	3,550	167	61	3,778	3,550	303	-	3,853	9.3%	-	143	143	-	3,996	218	(829)	-	(829)	-	245	914	425
2021	3,837	124	48	4,010	3,837	236	-	4,073	5.7%	-	139	139	-	4,212	203	(626)	-	(626)	-	223	691	324
2022	4,147	91	36	4,275	4,147	177	-	4,324	6.2%	-	136	136	-	4,460	185	(441)	-	(441)	-	199	492	251
2023	4,483	68	26	4,576	4,483	129	-	4,612	6.6%	-	132	132	-	4,744	168	(274)	-	(274)	-	178	313	197
2024	4,845	51	16	4,913	4,845	93	-	4,938	7.1%	-	129	129	-	5,067	155	(119)	-	(119)	-	163	151	157
2025	5,237	38	8	5,284	5,237	64	-	5,302	7.4%	-	101	101	-	5,403	119	-	25	25	-	151	-	127
	52,694	5,484	681	58,858	52,694	6,719	(4,218)	55,195		336	3,265	3,601	3	58,799	-				1,343	1,343		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,124	2,455	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,667		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	43	-	43	1,343
2007	958	233	2	1,193	958	108	-	1,066	0.2%	42	79	121	0	1,187	(6)	0	332	332	-	43	-	1,348
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	0	398	398	-	-	-	1,316
2009	1,226	242	-	1,468	1,226	258	(230)	1,255	8.5%	42	171	213	-	1,468	-	0	416	416	-	-	-	1,239
2010	1,376	248	-	1,624	1,376	266	(281)	1,361	8.5%	42	221	263	-	1,624	-	0	380	380	-	-	-	1,113
2011	1,538	248	-	1,786	1,538	273	(335)	1,476	8.5%	42	268	310	-	1,786	-	0	294	294	-	-	-	949
2012	1,714	236	-	1,950	1,714	273	(386)	1,601	8.5%	42	307	349	-	1,950	-	0	162	162	-	-	-	765
2013	1,849	209	-	2,059	1,849	259	(372)	1,737	8.5%	42	280	322	-	2,059	-	0	48	48	72	-	72	598
2014	1,996	174	4	2,173	1,996	234	(346)	1,884	8.5%	-	209	209	-	2,093	(80)	(80)	-	(80)	100	-	171	458
2015	2,153	136	9	2,298	2,153	201	(310)	2,044	8.5%	-	157	157	-	2,201	(97)	(177)	-	(177)	75	-	247	348
2016	2,323	102	13	2,439	2,323	164	(270)	2,217	8.5%	-	153	153	-	2,370	(68)	(245)	-	(245)	52	-	298	265
2017	2,507	75	16	2,598	2,507	130	(231)	2,405	8.5%	-	149	149	-	2,555	(44)	(289)	-	(289)	31	-	330	205
2018	2,706	55	17	2,778	2,706	102	(198)	2,609	8.5%	-	146	146	-	2,755	(23)	(312)	-	(312)	15	-	344	161
2019	2,920	41	18	2,979	2,920	81	(170)	2,830	8.5%	-	143	143	-	2,973	(6)	(318)	-	(318)	-	0	344	129
2020	3,151	32	18	3,201	3,151	65	(146)	3,070	8.5%	-	139	139	-	3,210	9	(309)	-	(309)	-	14	330	104
2021	3,400	24	17	3,442	3,400	54	(124)	3,330	8.5%	-	136	136	-	3,467	25	(284)	-	(284)	-	29	301	85
2022	3,670	19	16	3,705	3,670	44	(101)	3,613	8.5%	-	134	134	-	3,746	42	(243)	-	(243)	-	44	257	70
2023	3,960	15	13	3,989	3,960	36	(78)	3,919	8.5%	-	131	131	-	4,050	61	(182)	-	(182)	-	63	194	58
2024	4,274	12	10	4,297	4,274	28	(51)	4,251	8.5%	-	128	128	-	4,379	82	(100)	-	(100)	-	84	110	49
2025	4,613	10	6	4,629	4,613	20	(21)	4,611	8.5%	-	117	117	-	4,729	100	(0)	8	8	-	110	0	41
	48,361	2,570	160	51,091	48,361	2,978	(3,836)	47,503		336	3,191	3,527	3	51,032	-				387	387		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,246	2,471	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,673		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	86	-	86	1,557
2007	958	267	4	1,229	958	110	-	1,067	0.3%	42	114	156	0	1,223	(6)	(0)	299	299	-	72	14	1,564
2008	1,096	269	1	1,365	1,096	294	(227)	1,163	8.9%	42	160	202	-	1,365	-	(0)	327	327	-	14	-	1,528
2009	1,243	278	-	1,521	1,243	295	(272)	1,267	8.9%	42	212	254	-	1,521	-	(0)	301	301	-	-	-	1,440
2010	1,402	289	-	1,691	1,402	305	(328)	1,380	8.9%	42	269	311	-	1,691	-	(0)	214	214	45	-	45	1,292
2011	1,575	290	2	1,867	1,575	320	(391)	1,503	8.9%	42	322	364	-	1,867	-	(0)	68	68	107	-	152	1,100
2012	1,763	274	8	2,044	1,763	328	(452)	1,638	8.9%	42	240	282	-	1,920	(125)	(125)	-	(125)	150	-	302	885
2013	1,903	243	16	2,161	1,903	319	(437)	1,784	8.9%	42	167	209	-	1,993	(168)	(293)	-	(293)	130	-	431	691
2014	2,054	201	23	2,277	2,054	292	(402)	1,944	8.9%	-	162	162	-	2,106	(172)	(465)	-	(465)	139	-	571	530
2015	2,217	157	30	2,404	2,217	254	(353)	2,118	8.9%	-	157	157	-	2,275	(129)	(594)	-	(594)	104	-	674	402
2016	2,393	118	35	2,547	2,393	212	(298)	2,307	8.9%	-	153	153	-	2,460	(86)	(680)	-	(680)	67	-	741	307
2017	2,583	87	39	2,709	2,583	173	(243)	2,513	8.9%	-	150	150	-	2,663	(46)	(726)	-	(726)	32	-	773	237
2018	2,789	64	41	2,894	2,789	140	(191)	2,738	8.9%	-	146	146	-	2,884	(10)	(736)	-	(736)	-	1	773	186
2019	3,011	48	41	3,099	3,011	115	(143)	2,983	8.9%	-	143	143	-	3,126	27	(709)	-	(709)	-	34	739	149
2020	3,251	37	39	3,326	3,251	95	(96)	3,250	8.9%	-	140	140	-	3,390	64	(645)	-	(645)	-	69	669	120
2021	3,510	28	35	3,573	3,510	79	(48)	3,541	8.9%	-	137	137	-	3,677	104	(541)	-	(541)	-	109	561	98
2022	3,789	22	29	3,841	3,789	63	-	3,853	8.8%	-	134	134	-	3,986	145	(396)	-	(396)	-	149	412	81
2023	4,091	18	22	4,130	4,091	48	-	4,139	7.4%	-	131	131	-	4,270	140	(256)	-	(256)	-	143	269	67
2024	4,417	14	14	4,445	4,417	35	-	4,452	7.6%	-	128	128	-	4,580	135	(121)	-	(121)	-	137	132	57
2025	4,769	12	7	4,788	4,769	23	-	4,793	7.6%	-	116	116	-	4,909	121	0	10	10	-	132	0	48
	49,751	2,937	386	53,074	49,751	3,626	(3,881)	49,497		336	3,179	3,515	3	53,015	-				859	859		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,358	2,493	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,678		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	128	-	128	1,769
2007	958	286	7	1,251	958	111	-	1,068	0.4%	42	134	176	0	1,245	(6)	(0)	280	280	-	50	78	1,790
2008	1,104	303	4	1,411	1,104	319	(253)	1,170	9.5%	42	199	241	-	1,411	-	(0)	272	272	0	-	79	1,751
2009	1,260	314	4	1,579	1,260	337	(316)	1,281	9.5%	42	256	298	-	1,579	-	(0)	203	203	49	-	127	1,650
2010	1,429	331	7	1,766	1,429	353	(379)	1,403	9.5%	42	321	363	-	1,766	-	(0)	65	65	104	-	231	1,480
2011	1,612	334	12	1,958	1,612	377	(452)	1,537	9.5%	42	243	285	-	1,822	(136)	(136)	-	(136)	157	-	388	1,257
2012	1,811	314	20	2,145	1,811	390	(517)	1,683	9.5%	42	173	215	-	1,898	(247)	(384)	-	(384)	198	-	586	1,011
2013	1,956	278	31	2,265	1,956	379	(491)	1,843	9.5%	42	168	210	-	2,053	(212)	(595)	-	(595)	167	-	753	789
2014	2,112	229	40	2,381	2,112	350	(442)	2,019	9.5%	-	163	163	-	2,182	(199)	(794)	-	(794)	162	-	915	605
2015	2,280	180	48	2,508	2,280	305	(374)	2,211	9.5%	-	158	158	-	2,369	(139)	(933)	-	(933)	110	-	1,025	459
2016	2,463	135	54	2,651	2,463	257	(298)	2,422	9.5%	-	154	154	-	2,575	(76)	(1,009)	-	(1,009)	54	-	1,079	350
2017	2,660	99	57	2,815	2,660	210	(218)	2,652	9.5%	-	150	150	-	2,802	(13)	(1,023)	-	(1,023)	-	3	1,077	271
2018	2,872	74	57	3,002	2,872	171	(139)	2,904	9.5%	-	146	146	-	3,051	48	(974)	-	(974)	-	60	1,017	213
2019	3,102	54	53	3,210	3,102	140	(61)	3,181	9.5%	-	143	143	-	3,324	114	(860)	-	(860)	-	122	894	170
2020	3,350	42	47	3,439	3,350	112	-	3,462	8.8%	-	140	140	-	3,602	163	(698)	-	(698)	-	169	725	137
2021	3,619	32	38	3,689	3,619	88	-	3,706	7.1%	-	137	137	-	3,843	154	(543)	-	(543)	-	159	566	112
2022	3,908	26	30	3,964	3,908	68	-	3,977	7.3%	-	134	134	-	4,110	147	(397)	-	(397)	-	151	415	93
2023	4,222	20	22	4,264	4,222	52	-	4,274	7.5%	-	131	131	-	4,405	141	(256)	-	(256)	-	144	271	77
2024	4,560	16	14	4,590	4,560	38	-	4,598	7.6%	-	128	128	-	4,726	136	(120)	-	(120)	-	138	133	65
2025	4,925	13	7	4,946	4,925	26	-	4,951	7.7%	-	115	115	-	5,066	120	0	11	11	-	133	0	55
	51,142	3,303	551	54,995	51,142	4,207	(3,942)	51,407		336	3,190	3,526	3	54,936	-				1,129	1,129		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, NF*
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,459	2,510	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,672		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	170	-	170	1,977
2007	958	286	9	1,253	958	112	-	1,069	0.5%	42	135	177	0	1,247	(6)	(0)	280	280	-	44	126	2,031
2008	1,112	337	7	1,456	1,112	322	(256)	1,178	10.2%	42	236	278	-	1,456	-	(0)	237	237	34	-	160	1,988
2009	1,277	352	8	1,638	1,277	380	(359)	1,298	10.2%	42	298	340	-	1,638	-	(0)	128	128	87	-	247	1,876
2010	1,456	375	13	1,843	1,456	401	(427)	1,430	10.2%	42	313	355	-	1,785	(59)	(59)	-	(59)	148	-	395	1,681
2011	1,649	381	21	2,051	1,649	435	(508)	1,575	10.2%	42	179	221	-	1,797	(254)	(313)	-	(313)	203	-	598	1,425
2012	1,859	357	31	2,248	1,859	454	(578)	1,736	10.2%	42	174	216	-	1,952	(296)	(609)	-	(609)	240	-	838	1,146
2013	2,009	316	44	2,369	2,009	441	(538)	1,912	10.2%	42	169	211	-	2,123	(246)	(855)	-	(855)	195	-	1,033	893
2014	2,170	259	54	2,484	2,170	407	(470)	2,107	10.2%	-	163	163	-	2,270	(214)	(1,068)	-	(1,068)	172	-	1,205	684
2015	2,344	204	63	2,611	2,344	355	(378)	2,321	10.2%	-	159	159	-	2,479	(132)	(1,200)	-	(1,200)	99	-	1,304	519
2016	2,532	152	68	2,753	2,532	299	(275)	2,557	10.2%	-	154	154	-	2,711	(42)	(1,242)	-	(1,242)	17	-	1,321	396
2017	2,736	112	69	2,917	2,736	244	(163)	2,817	10.2%	-	150	150	-	2,967	50	(1,192)	-	(1,192)	-	68	1,253	307
2018	2,956	83	66	3,105	2,956	195	(48)	3,103	10.2%	-	147	147	-	3,250	145	(1,047)	-	(1,047)	-	158	1,095	240
2019	3,193	62	57	3,313	3,193	155	-	3,348	7.9%	-	143	143	-	3,492	179	(868)	-	(868)	-	189	906	192
2020	3,450	47	48	3,545	3,450	120	-	3,570	6.6%	-	140	140	-	3,710	166	(702)	-	(702)	-	173	733	155
2021	3,728	36	38	3,803	3,728	94	-	3,822	7.0%	-	137	137	-	3,959	156	(546)	-	(546)	-	162	572	127
2022	4,028	29	30	4,087	4,028	73	-	4,101	7.3%	-	134	134	-	4,235	148	(398)	-	(398)	-	152	419	105
2023	4,352	23	22	4,397	4,352	56	-	4,408	7.5%	-	131	131	-	4,539	142	(256)	-	(256)	-	145	274	87
2024	4,703	19	14	4,736	4,703	41	-	4,744	7.6%	-	128	128	-	4,872	137	(119)	-	(119)	-	140	134	73
2025	5,081	15	7	5,104	5,081	28	-	5,110	7.7%	-	113	113	-	5,223	119	-	12	12	-	134	0	62
	52,532	3,669	671	56,872	52,532	4,739	(4,000)	53,270		336	3,204	3,540	3	56,813	-				1,365	1,365		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,557	2,525	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,660		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	211	-	211	2,185
2007	958	286	11	1,255	958	113	-	1,070	0.6%	42	137	179	0	1,249	(6)	0	281	281	-	38	174	2,272
2008	1,121	371	9	1,501	1,121	325	(259)	1,187	10.9%	42	272	314	-	1,501	-	0	203	203	68	-	242	2,225
2009	1,295	389	13	1,696	1,295	422	(401)	1,316	10.9%	42	338	380	-	1,696	-	0	56	56	123	-	365	2,101
2010	1,482	419	19	1,920	1,482	449	(472)	1,459	10.9%	42	242	284	-	1,743	(177)	(177)	-	(177)	189	-	553	1,882
2011	1,686	429	29	2,143	1,686	492	(560)	1,618	10.9%	42	181	223	-	1,841	(302)	(479)	-	(479)	245	-	798	1,594
2012	1,908	401	42	2,350	1,908	518	(631)	1,794	10.9%	42	175	217	-	2,011	(339)	(818)	-	(818)	276	-	1,074	1,280
2013	2,062	354	56	2,472	2,062	503	(575)	1,989	10.9%	42	170	212	-	2,201	(271)	(1,089)	-	(1,089)	214	-	1,289	998
2014	2,228	290	68	2,585	2,228	463	(486)	2,206	10.9%	-	164	164	-	2,370	(216)	(1,305)	-	(1,305)	169	-	1,458	764
2015	2,408	228	77	2,712	2,408	403	(365)	2,445	10.9%	-	159	159	-	2,605	(107)	(1,412)	-	(1,412)	70	-	1,528	580
2016	2,602	170	80	2,852	2,602	339	(229)	2,711	10.9%	-	155	155	-	2,866	14	(1,398)	-	(1,398)	-	41	1,487	443
2017	2,812	125	78	3,015	2,812	273	(79)	3,006	10.9%	-	151	151	-	3,157	142	(1,256)	-	(1,256)	-	162	1,324	343
2018	3,039	93	70	3,202	3,039	214	-	3,253	8.2%	-	147	147	-	3,399	198	(1,058)	-	(1,058)	-	212	1,112	268
2019	3,285	69	58	3,412	3,285	167	-	3,451	6.1%	-	143	143	-	3,595	183	(875)	-	(875)	-	194	918	214
2020	3,550	52	48	3,650	3,550	129	-	3,679	6.6%	-	140	140	-	3,819	169	(706)	-	(706)	-	177	741	173
2021	3,837	40	39	3,916	3,837	100	-	3,937	7.0%	-	137	137	-	4,074	158	(549)	-	(549)	-	164	577	142
2022	4,147	32	30	4,210	4,147	78	-	4,225	7.3%	-	134	134	-	4,359	149	(399)	-	(399)	-	154	423	117
2023	4,483	26	22	4,531	4,483	60	-	4,543	7.5%	-	131	131	-	4,674	143	(256)	-	(256)	-	147	276	97
2024	4,845	21	14	4,881	4,845	45	-	4,890	7.6%	-	128	128	-	5,018	138	(119)	-	(119)	-	141	135	81
2025	5,237	17	7	5,262	5,237	31	-	5,268	7.7%	-	112	112	-	5,380	119	0	14	14	-	135	0	69
	53,922	4,034	771	58,728	53,922	5,247	(4,057)	55,113		336	3,217	3,553	3	58,668	-				1,566	1,566		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,134	2,460	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,677		2025 Ending Surplus / (Deficit)		7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	45	-	45	1,352
2007	958	233	2	1,193	958	109	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,337
2008	1,030	235	-	1,264	1,030	256	(129)	1,157	8.5%	42	66	108	-	1,264	-	(0)	456	456	-	-	-	1,289
2009	1,365	242	-	1,607	1,365	258	(369)	1,255	8.5%	42	310	352	-	1,607	-	(0)	337	337	-	-	-	1,113
2010	1,473	247	-	1,720	1,473	266	(378)	1,361	8.5%	42	317	359	-	1,720	-	(0)	203	203	-	-	-	924
2011	1,589	241	-	1,829	1,589	272	(384)	1,477	8.5%	42	311	353	-	1,829	-	(0)	66	66	81	-	81	734
2012	1,714	214	4	1,933	1,714	269	(382)	1,602	8.5%	42	235	277	-	1,878	(54)	(54)	-	(54)	86	-	167	561
2013	1,849	171	9	2,029	1,849	245	(357)	1,738	8.5%	42	164	206	-	1,943	(85)	(140)	-	(140)	58	-	224	422
2014	1,996	124	12	2,131	1,996	201	(311)	1,885	8.5%	-	160	160	-	2,045	(87)	(226)	-	(226)	67	-	291	322
2015	2,153	91	15	2,260	2,153	153	(262)	2,045	8.5%	-	156	156	-	2,200	(59)	(286)	-	(286)	45	-	335	249
2016	2,323	67	18	2,409	2,323	120	(225)	2,218	8.5%	-	152	152	-	2,370	(38)	(324)	-	(324)	28	-	363	196
2017	2,507	52	19	2,578	2,507	95	(196)	2,406	8.5%	-	149	149	-	2,555	(23)	(347)	-	(347)	15	-	378	154
2018	2,706	38	20	2,764	2,706	79	(174)	2,610	8.5%	-	145	145	-	2,756	(8)	(356)	-	(356)	2	-	381	125
2019	2,920	29	20	2,969	2,920	64	(152)	2,831	8.5%	-	142	142	-	2,974	5	(351)	-	(351)	-	9	371	102
2020	3,151	24	19	3,194	3,151	53	(133)	3,072	8.5%	-	139	139	-	3,211	17	(334)	-	(334)	-	21	351	84
2021	3,400	18	18	3,437	3,400	46	(115)	3,332	8.5%	-	136	136	-	3,468	31	(303)	-	(303)	-	34	317	70
2022	3,670	15	17	3,701	3,670	39	(94)	3,614	8.5%	-	134	134	-	3,748	47	(256)	-	(256)	-	49	268	59
2023	3,960	12	14	3,987	3,960	32	(71)	3,921	8.5%	-	131	131	-	4,052	65	(191)	-	(191)	-	67	201	49
2024	4,274	10	11	4,295	4,274	25	(46)	4,253	8.5%	-	128	128	-	4,381	86	(105)	-	(105)	-	88	113	41
2025	4,613	8	6	4,627	4,613	18	(17)	4,614	8.5%	-	118	118	-	4,732	105	0	7	7	-	113	0	35
	48,590	2,295	204	51,089	48,590	2,726	(3,795)	47,520		336	3,171	3,507	3	51,029	-				425	425		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,259	2,474	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,685		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	88	-	88	1,568
2007	958	267	5	1,229	958	110	-	1,067	0.4%	42	114	156	0	1,223	(6)	(0)	299	299	-	76	11	1,551
2008	1,030	269	1	1,299	1,030	294	(161)	1,163	9.0%	42	94	136	-	1,299	-	(0)	394	394	-	11	-	1,497
2009	1,402	278	-	1,680	1,402	296	(430)	1,267	9.0%	42	371	413	-	1,680	-	(0)	211	211	48	-	48	1,295
2010	1,513	287	3	1,803	1,513	309	(441)	1,381	9.0%	42	380	422	-	1,803	-	(0)	11	11	157	-	204	1,075
2011	1,633	281	11	1,925	1,633	328	(457)	1,504	9.0%	42	185	227	-	1,732	(193)	(193)	-	(193)	159	-	364	853
2012	1,763	249	19	2,031	1,763	330	(454)	1,639	9.0%	42	170	212	-	1,851	(180)	(373)	-	(373)	140	-	504	652
2013	1,903	199	26	2,128	1,903	303	(420)	1,786	9.0%	42	165	207	-	1,993	(135)	(508)	-	(508)	103	-	607	491
2014	2,054	144	32	2,229	2,054	253	(361)	1,946	9.0%	-	160	160	-	2,106	(123)	(632)	-	(632)	100	-	707	375
2015	2,217	106	37	2,360	2,217	199	(296)	2,120	9.0%	-	156	156	-	2,276	(84)	(716)	-	(716)	67	-	774	290
2016	2,393	78	41	2,512	2,393	162	(245)	2,310	9.0%	-	152	152	-	2,463	(50)	(765)	-	(765)	37	-	811	227
2017	2,583	60	43	2,686	2,583	133	(199)	2,517	9.0%	-	149	149	-	2,666	(20)	(786)	-	(786)	11	-	821	180
2018	2,789	45	43	2,877	2,789	114	(160)	2,743	9.0%	-	146	146	-	2,888	11	(774)	-	(774)	-	18	803	145
2019	3,011	34	42	3,087	3,011	96	(118)	2,988	9.0%	-	142	142	-	3,131	44	(731)	-	(731)	-	49	754	118
2020	3,251	27	40	3,317	3,251	81	(76)	3,256	9.0%	-	139	139	-	3,395	78	(653)	-	(653)	-	82	672	97
2021	3,510	21	35	3,566	3,510	69	(31)	3,547	9.0%	-	136	136	-	3,684	118	(535)	-	(535)	-	121	551	81
2022	3,789	17	29	3,835	3,789	55	-	3,844	8.4%	-	134	134	-	3,978	143	(393)	-	(393)	-	145	406	68
2023	4,091	15	21	4,127	4,091	43	-	4,134	7.5%	-	131	131	-	4,264	138	(255)	-	(255)	-	140	266	57
2024	4,417	12	14	4,443	4,417	31	-	4,448	7.6%	-	128	128	-	4,577	133	(122)	-	(122)	-	135	131	48
2025	4,769	10	7	4,786	4,769	21	-	4,790	7.7%	-	117	117	-	4,907	122	0	8	8	-	131	0	41
	50,012	2,622	447	53,082	50,012	3,350	(3,848)	49,515		336	3,170	3,506	3	53,023	-				909	909		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,371	2,487	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,680		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	130	-	130	1,781
2007	958	286	7	1,251	958	111	-	1,068	0.5%	42	134	176	0	1,245	(6)	(0)	280	280	-	55	75	1,776
2008	1,030	303	4	1,336	1,030	319	(178)	1,171	9.6%	42	124	166	-	1,336	-	(0)	346	346	-	75	-	1,716
2009	1,439	315	-	1,754	1,439	333	(490)	1,282	9.6%	42	429	471	-	1,754	-	(0)	104	104	194	-	194	1,488
2010	1,553	329	10	1,893	1,553	358	(506)	1,405	9.6%	42	285	327	-	1,732	(161)	(161)	-	(161)	214	-	408	1,236
2011	1,677	324	21	2,023	1,677	386	(524)	1,539	9.6%	42	176	218	-	1,757	(266)	(427)	-	(427)	214	-	623	980
2012	1,811	286	33	2,130	1,811	392	(517)	1,686	9.6%	42	171	213	-	1,899	(231)	(658)	-	(658)	185	-	808	749
2013	1,956	228	42	2,226	1,956	362	(470)	1,847	9.6%	42	165	207	-	2,055	(171)	(829)	-	(829)	134	-	942	564
2014	2,112	165	49	2,326	2,112	305	(393)	2,024	9.6%	-	161	161	-	2,185	(142)	(971)	-	(971)	115	-	1,057	431
2015	2,280	123	56	2,459	2,280	243	(306)	2,217	9.6%	-	157	157	-	2,374	(85)	(1,056)	-	(1,056)	65	-	1,122	332
2016	2,463	90	59	2,612	2,463	200	(233)	2,429	9.6%	-	153	153	-	2,582	(30)	(1,086)	-	(1,086)	16	-	1,138	261
2017	2,660	69	60	2,788	2,660	165	(163)	2,661	9.6%	-	149	149	-	2,810	22	(1,064)	-	(1,064)	-	33	1,105	206
2018	2,872	52	58	2,982	2,872	140	(97)	2,915	9.6%	-	146	146	-	3,061	79	(985)	-	(985)	-	87	1,018	166
2019	3,102	39	53	3,195	3,102	116	(24)	3,194	9.6%	-	143	143	-	3,336	142	(843)	-	(843)	-	148	870	136
2020	3,350	31	46	3,427	3,350	93	-	3,444	7.8%	-	140	140	-	3,583	156	(687)	-	(687)	-	161	709	112
2021	3,619	24	37	3,680	3,619	75	-	3,694	7.3%	-	137	137	-	3,830	150	(537)	-	(537)	-	154	556	93
2022	3,908	20	29	3,958	3,908	59	-	3,967	7.4%	-	134	134	-	4,101	143	(393)	-	(393)	-	147	409	78
2023	4,222	17	21	4,260	4,222	46	-	4,267	7.6%	-	131	131	-	4,398	138	(255)	-	(255)	-	141	268	65
2024	4,560	14	14	4,588	4,560	34	-	4,594	7.7%	-	128	128	-	4,722	134	(121)	-	(121)	-	136	132	55
2025	4,925	11	7	4,943	4,925	23	-	4,948	7.7%	-	116	116	-	5,064	121	(0)	9	9	-	132	0	46
	51,435	2,949	607	54,992	51,435	3,883	(3,902)	51,417		336	3,177	3,513	3	54,933	-				1,268	1,268		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, NF*
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,472	2,500	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,670		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	172	-	172	1,990
2007	958	286	9	1,253	958	112	-	1,070	0.6%	42	135	177	0	1,247	(6)	(0)	280	280	-	50	123	2,015
2008	1,030	337	6	1,373	1,030	322	(172)	1,179	10.2%	42	152	194	-	1,373	-	(0)	321	321	-	53	69	1,950
2009	1,476	353	4	1,832	1,476	375	(551)	1,300	10.2%	42	490	532	-	1,832	-	(0)	19	19	251	-	320	1,695
2010	1,594	373	17	1,984	1,594	406	(567)	1,433	10.2%	42	202	244	-	1,677	(307)	(307)	-	(307)	269	-	589	1,411
2011	1,721	370	31	2,123	1,721	445	(587)	1,580	10.2%	42	177	219	-	1,799	(324)	(631)	-	(631)	265	-	854	1,118
2012	1,859	327	45	2,231	1,859	457	(575)	1,741	10.2%	42	172	214	-	1,955	(276)	(907)	-	(907)	223	-	1,078	854
2013	2,009	260	57	2,326	2,009	421	(510)	1,920	10.2%	42	166	208	-	2,128	(198)	(1,104)	-	(1,104)	155	-	1,233	643
2014	2,170	188	65	2,423	2,170	358	(411)	2,116	10.2%	-	161	161	-	2,278	(145)	(1,249)	-	(1,249)	114	-	1,347	491
2015	2,344	140	71	2,555	2,344	285	(295)	2,333	10.2%	-	157	157	-	2,490	(65)	(1,313)	-	(1,313)	42	-	1,389	379
2016	2,532	103	73	2,708	2,532	234	(195)	2,572	10.2%	-	153	153	-	2,725	17	(1,296)	-	(1,296)	-	34	1,356	297
2017	2,736	78	71	2,885	2,736	191	(92)	2,836	10.2%	-	149	149	-	2,985	100	(1,197)	-	(1,197)	-	112	1,244	235
2018	2,956	59	65	3,080	2,956	158	-	3,114	9.8%	-	146	146	-	3,260	180	(1,017)	-	(1,017)	-	189	1,055	188
2019	3,193	44	55	3,293	3,193	126	-	3,319	6.6%	-	143	143	-	3,462	169	(848)	-	(848)	-	176	879	154
2020	3,450	35	46	3,532	3,450	100	-	3,550	7.0%	-	140	140	-	3,690	158	(690)	-	(690)	-	163	716	127
2021	3,728	28	38	3,793	3,728	80	-	3,808	7.3%	-	137	137	-	3,945	151	(539)	-	(539)	-	156	560	106
2022	4,028	23	29	4,080	4,028	63	-	4,091	7.4%	-	134	134	-	4,224	144	(394)	-	(394)	-	148	412	89
2023	4,352	19	22	4,393	4,352	49	-	4,401	7.6%	-	131	131	-	4,532	139	(255)	-	(255)	-	142	270	74
2024	4,703	16	14	4,733	4,703	37	-	4,739	7.7%	-	128	128	-	4,868	135	(120)	-	(120)	-	137	133	62
2025	5,081	13	7	5,101	5,081	25	-	5,106	7.7%	-	115	115	-	5,222	120	-	10	10	-	133	0	52
	52,858	3,276	724	56,858	52,858	4,368	(3,955)	53,271		336	3,189	3,525	3	56,799	-				1,492	1,492		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 11.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,569	2,511	59	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,654		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	214	-	214	2,199
2007	958	286	11	1,255	958	113	-	1,071	0.7%	42	137	179	0	1,249	(6)	(0)	281	281	-	44	170	2,254
2008	1,030	372	9	1,410	1,030	325	(166)	1,188	11.0%	42	180	222	-	1,410	-	(0)	296	296	-	29	141	2,183
2009	1,512	390	7	1,910	1,512	417	(610)	1,319	11.0%	42	486	528	-	1,847	(63)	(63)	-	(63)	302	-	443	1,902
2010	1,634	417	23	2,075	1,634	454	(624)	1,464	11.0%	42	185	227	-	1,691	(383)	(446)	-	(446)	320	-	763	1,585
2011	1,766	416	40	2,222	1,766	503	(643)	1,626	11.0%	42	179	221	-	1,846	(376)	(822)	-	(822)	310	-	1,073	1,256
2012	1,908	367	56	2,331	1,908	520	(623)	1,805	11.0%	42	173	215	-	2,019	(312)	(1,134)	-	(1,134)	253	-	1,326	960
2013	2,062	293	70	2,424	2,062	480	(539)	2,003	11.0%	42	167	209	-	2,212	(211)	(1,345)	-	(1,345)	164	-	1,489	722
2014	2,228	211	78	2,517	2,228	408	(412)	2,224	11.0%	-	162	162	-	2,386	(131)	(1,476)	-	(1,476)	97	-	1,587	552
2015	2,408	158	83	2,649	2,408	324	(263)	2,469	11.0%	-	158	158	-	2,626	(22)	(1,499)	-	(1,499)	-	3	1,584	425
2016	2,602	116	83	2,801	2,602	265	(126)	2,741	11.0%	-	153	153	-	2,894	93	(1,405)	-	(1,405)	-	112	1,472	333
2017	2,812	88	77	2,977	2,812	212	-	3,024	10.4%	-	150	150	-	3,174	197	(1,209)	-	(1,209)	-	211	1,261	263
2018	3,039	66	66	3,172	3,039	170	-	3,209	6.1%	-	146	146	-	3,355	183	(1,025)	-	(1,025)	-	194	1,068	211
2019	3,285	50	56	3,391	3,285	135	-	3,419	6.6%	-	143	143	-	3,562	172	(854)	-	(854)	-	179	888	172
2020	3,550	39	47	3,636	3,550	106	-	3,656	6.9%	-	140	140	-	3,796	160	(694)	-	(694)	-	166	722	142
2021	3,837	31	38	3,906	3,837	85	-	3,922	7.3%	-	137	137	-	4,059	153	(541)	-	(541)	-	158	564	119
2022	4,147	25	30	4,202	4,147	67	-	4,214	7.4%	-	134	134	-	4,348	145	(395)	-	(395)	-	149	415	99
2023	4,483	22	22	4,526	4,483	52	-	4,535	7.6%	-	131	131	-	4,666	140	(256)	-	(256)	-	143	272	83
2024	4,845	18	14	4,878	4,845	39	-	4,885	7.7%	-	128	128	-	5,013	136	(120)	-	(120)	-	138	134	69
2025	5,237	14	7	5,259	5,237	27	-	5,265	7.8%	-	114	114	-	5,379	120	0	12	12	-	134	0	59
	54,281	3,602	818	58,702	54,281	4,827	(4,006)	55,102		336	3,201	3,537	3	58,642	-				1,660	1,660		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,121	2,454	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,664		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	43	-	43	1,344
2007	958	233	2	1,193	958	109	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	43	-	1,362
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	(0)	398	398	-	-	-	1,341
2009	1,170	242	-	1,412	1,170	258	(174)	1,255	8.5%	42	116	158	-	1,412	-	(0)	471	471	-	-	-	1,305
2010	1,376	251	-	1,626	1,376	266	(281)	1,361	8.5%	42	223	265	-	1,626	-	(0)	436	436	-	-	-	1,188
2011	1,482	254	-	1,737	1,482	276	(282)	1,476	8.5%	42	218	260	-	1,737	-	(0)	401	401	-	-	-	1,050
2012	1,714	247	-	1,961	1,714	280	(393)	1,601	8.5%	42	318	360	-	1,961	-	(0)	261	261	-	-	-	859
2013	1,849	227	-	2,076	1,849	272	(385)	1,737	8.5%	42	297	339	-	2,076	-	(0)	134	134	2	-	2	679
2014	1,996	195	0	2,190	1,996	250	(361)	1,884	8.5%	-	296	296	-	2,180	(10)	(10)	-	(10)	113	-	115	523
2015	2,153	156	6	2,315	2,153	221	(330)	2,044	8.5%	-	157	157	-	2,201	(114)	(124)	-	(124)	89	-	204	397
2016	2,323	119	11	2,454	2,323	183	(289)	2,217	8.5%	-	153	153	-	2,370	(83)	(207)	-	(207)	64	-	267	300
2017	2,507	87	14	2,608	2,507	147	(249)	2,405	8.5%	-	149	149	-	2,555	(53)	(261)	-	(261)	39	-	307	230
2018	2,706	64	16	2,786	2,706	113	(210)	2,609	8.5%	-	146	146	-	2,755	(31)	(292)	-	(292)	21	-	328	179
2019	2,920	47	17	2,984	2,920	89	(179)	2,830	8.5%	-	143	143	-	2,973	(11)	(303)	-	(303)	4	-	331	142
2020	3,151	36	17	3,204	3,151	71	(152)	3,070	8.5%	-	140	140	-	3,209	5	(298)	-	(298)	-	11	321	114
2021	3,400	28	17	3,445	3,400	58	(128)	3,330	8.5%	-	137	137	-	3,466	22	(276)	-	(276)	-	26	294	92
2022	3,670	21	15	3,706	3,670	47	(105)	3,612	8.5%	-	134	134	-	3,746	39	(237)	-	(237)	-	43	252	76
2023	3,960	17	13	3,991	3,960	38	(80)	3,918	8.5%	-	131	131	-	4,049	59	(178)	-	(178)	-	61	191	63
2024	4,274	13	10	4,298	4,274	30	(54)	4,250	8.5%	-	128	128	-	4,378	81	(97)	-	(97)	-	83	108	53
2025	4,613	11	6	4,630	4,613	21	(24)	4,610	8.5%	-	117	117	-	4,727	97	0	9	9	-	108	-	44
	48,249	2,705	145	51,100	48,249	3,109	(3,862)	47,496		336	3,205	3,541	3	51,040	-				374	374		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,240	2,469	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,666		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	86	-	86	1,559
2007	958	267	5	1,229	958	110	-	1,067	0.3%	42	114	156	0	1,223	(6)	(0)	299	299	-	69	17	1,579
2008	1,096	269	1	1,365	1,096	294	(227)	1,163	8.9%	42	161	203	-	1,365	-	(0)	327	327	-	17	-	1,557
2009	1,179	278	-	1,457	1,179	296	(208)	1,267	8.9%	42	149	191	-	1,457	-	(0)	364	364	-	-	-	1,514
2010	1,402	291	-	1,694	1,402	306	(329)	1,380	8.9%	42	272	314	-	1,694	-	(0)	276	276	-	-	-	1,378
2011	1,511	297	-	1,808	1,511	320	(329)	1,503	8.9%	42	263	305	-	1,808	-	(0)	190	190	53	-	53	1,215
2012	1,763	287	3	2,052	1,763	329	(455)	1,637	8.9%	42	363	405	-	2,042	(10)	(10)	-	(10)	156	-	209	993
2013	1,903	263	11	2,176	1,903	328	(447)	1,784	8.9%	42	167	209	-	1,993	(183)	(193)	-	(193)	142	-	350	785
2014	2,054	225	18	2,297	2,054	309	(420)	1,943	8.9%	-	163	163	-	2,106	(191)	(385)	-	(385)	155	-	505	604
2015	2,217	180	27	2,424	2,217	277	(377)	2,117	8.9%	-	158	158	-	2,275	(149)	(533)	-	(533)	120	-	625	458
2016	2,393	138	33	2,564	2,393	234	(321)	2,306	8.9%	-	154	154	-	2,460	(104)	(637)	-	(637)	82	-	707	346
2017	2,583	100	37	2,720	2,583	192	(264)	2,512	8.9%	-	150	150	-	2,662	(59)	(696)	-	(696)	43	-	749	266
2018	2,789	74	39	2,903	2,789	153	(206)	2,737	8.9%	-	146	146	-	2,883	(20)	(716)	-	(716)	8	-	757	207
2019	3,011	54	40	3,105	3,011	125	(155)	2,981	8.9%	-	143	143	-	3,124	19	(696)	-	(696)	-	28	729	164
2020	3,251	41	38	3,330	3,251	102	(105)	3,247	8.9%	-	140	140	-	3,387	57	(639)	-	(639)	-	63	666	131
2021	3,510	32	35	3,576	3,510	84	(56)	3,538	8.9%	-	137	137	-	3,674	98	(541)	-	(541)	-	103	563	107
2022	3,789	25	30	3,843	3,789	67	(3)	3,854	8.9%	-	134	134	-	3,988	144	(397)	-	(397)	-	148	414	88
2023	4,091	20	22	4,132	4,091	51	-	4,142	7.5%	-	131	131	-	4,273	141	(256)	-	(256)	-	144	271	73
2024	4,417	16	14	4,447	4,417	37	-	4,454	7.5%	-	128	128	-	4,583	136	(121)	-	(121)	-	138	133	61
2025	4,769	13	7	4,789	4,769	25	-	4,794	7.6%	-	115	115	-	4,909	121	(0)	10	10	-	133	-	51
	49,624	3,091	359	53,073	49,624	3,765	(3,900)	49,489		336	3,186	3,522	3	53,014	-				843	843		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,351	2,494	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,674		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	128	-	128	1,771
2007	958	286	7	1,251	958	111	-	1,068	0.4%	42	134	176	0	1,245	(6)	(0)	280	280	-	47	82	1,808
2008	1,104	303	4	1,411	1,104	320	(254)	1,170	9.5%	42	199	241	-	1,411	-	(0)	271	271	3	-	85	1,783
2009	1,188	315	4	1,508	1,188	338	(245)	1,281	9.5%	42	185	227	-	1,508	-	(0)	274	274	-	12	73	1,734
2010	1,429	334	4	1,766	1,429	351	(377)	1,403	9.5%	42	322	364	-	1,766	-	(0)	135	135	107	-	180	1,576
2011	1,541	342	9	1,892	1,541	377	(382)	1,536	9.5%	42	314	356	-	1,892	-	(0)	0	0	97	-	277	1,387
2012	1,811	329	15	2,154	1,811	392	(521)	1,682	9.5%	42	174	216	-	1,898	(256)	(256)	-	(256)	206	-	483	1,133
2013	1,956	301	25	2,282	1,956	389	(503)	1,842	9.5%	42	169	211	-	2,052	(230)	(486)	-	(486)	182	-	665	894
2014	2,112	256	35	2,403	2,112	369	(464)	2,017	9.5%	-	163	163	-	2,180	(223)	(709)	-	(709)	182	-	846	688
2015	2,280	206	44	2,530	2,280	331	(403)	2,208	9.5%	-	159	159	-	2,367	(164)	(872)	-	(872)	130	-	977	522
2016	2,463	157	51	2,671	2,463	282	(327)	2,418	9.5%	-	154	154	-	2,572	(99)	(971)	-	(971)	73	-	1,050	395
2017	2,660	114	55	2,828	2,660	233	(245)	2,648	9.5%	-	150	150	-	2,798	(31)	(1,002)	-	(1,002)	12	-	1,062	303
2018	2,872	85	56	3,013	2,872	186	(160)	2,899	9.5%	-	147	147	-	3,046	33	(969)	-	(969)	-	46	1,016	235
2019	3,102	62	53	3,217	3,102	152	(80)	3,174	9.5%	-	143	143	-	3,318	100	(869)	-	(869)	-	110	906	187
2020	3,350	47	48	3,445	3,350	120	-	3,471	9.3%	-	140	140	-	3,611	166	(703)	-	(703)	-	173	733	150
2021	3,619	36	38	3,693	3,619	94	-	3,713	7.0%	-	137	137	-	3,850	156	(547)	-	(547)	-	162	571	122
2022	3,908	28	30	3,967	3,908	73	-	3,981	7.2%	-	134	134	-	4,115	149	(398)	-	(398)	-	153	418	100
2023	4,222	22	22	4,266	4,222	55	-	4,277	7.4%	-	131	131	-	4,408	142	(257)	-	(257)	-	145	273	83
2024	4,560	18	14	4,592	4,560	40	-	4,600	7.6%	-	128	128	-	4,729	137	(120)	-	(120)	-	139	134	69
2025	4,925	14	7	4,947	4,925	27	-	4,953	7.7%	-	114	114	-	5,067	120	(0)	12	12	-	134	-	58
	50,998	3,476	523	54,997	50,998	4,366	(3,962)	51,403		336	3,197	3,533	3	54,938	-				1,121	1,121		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,452	2,512	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,669		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	170	-	170	1,979
2007	958	286	9	1,253	958	112	-	1,069	0.5%	42	135	177	0	1,247	(6)	(0)	280	280	-	40	130	2,050
2008	1,112	337	7	1,456	1,112	322	(257)	1,178	10.1%	42	236	278	-	1,456	-	(0)	237	237	38	-	168	2,024
2009	1,197	353	9	1,559	1,197	380	(280)	1,297	10.1%	42	220	262	-	1,559	-	(0)	206	206	20	-	188	1,969
2010	1,456	378	10	1,843	1,456	399	(426)	1,429	10.1%	42	373	415	-	1,843	-	(0)	19	19	151	-	339	1,788
2011	1,570	390	18	1,977	1,570	435	(431)	1,574	10.1%	42	199	241	-	1,815	(163)	(163)	-	(163)	138	-	477	1,570
2012	1,859	374	25	2,258	1,859	456	(583)	1,733	10.1%	42	175	217	-	1,950	(308)	(470)	-	(470)	250	-	726	1,280
2013	2,009	341	38	2,388	2,009	453	(553)	1,909	10.1%	42	170	212	-	2,120	(267)	(738)	-	(738)	213	-	940	1,010
2014	2,170	289	49	2,508	2,170	429	(497)	2,102	10.1%	-	164	164	-	2,267	(242)	(980)	-	(980)	195	-	1,135	777
2015	2,344	232	60	2,636	2,344	384	(413)	2,315	10.1%	-	159	159	-	2,475	(161)	(1,141)	-	(1,141)	124	-	1,259	589
2016	2,532	177	66	2,775	2,532	328	(310)	2,550	10.1%	-	155	155	-	2,705	(71)	(1,211)	-	(1,211)	42	-	1,301	446
2017	2,736	128	68	2,932	2,736	270	(197)	2,809	10.1%	-	151	151	-	2,959	27	(1,185)	-	(1,185)	-	47	1,253	343
2018	2,956	96	66	3,117	2,956	213	(76)	3,093	10.1%	-	147	147	-	3,240	123	(1,062)	-	(1,062)	-	138	1,115	266
2019	3,193	70	59	3,322	3,193	170	-	3,363	8.7%	-	143	143	-	3,507	185	(877)	-	(877)	-	196	919	211
2020	3,450	53	48	3,551	3,450	130	-	3,580	6.4%	-	140	140	-	3,720	169	(708)	-	(708)	-	177	742	169
2021	3,728	41	39	3,808	3,728	101	-	3,829	6.9%	-	137	137	-	3,966	158	(550)	-	(550)	-	165	577	138
2022	4,028	32	30	4,090	4,028	78	-	4,106	7.2%	-	134	134	-	4,240	150	(400)	-	(400)	-	155	422	113
2023	4,352	26	22	4,400	4,352	59	-	4,411	7.4%	-	131	131	-	4,543	143	(257)	-	(257)	-	147	276	94
2024	4,703	20	14	4,737	4,703	44	-	4,747	7.6%	-	128	128	-	4,875	138	(119)	-	(119)	-	141	135	78
2025	5,081	16	7	5,105	5,081	30	-	5,111	7.7%	-	113	113	-	5,224	119	0	13	13	-	135	-	66
	52,373	3,861	644	56,878	52,373	4,920	(4,023)	53,269		336	3,211	3,547	3	56,819	-				1,341	1,341		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,550	2,528	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,659		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	212	-	212	2,187
2007	958	286	11	1,255	958	113	-	1,071	0.6%	42	137	179	0	1,249	(6)	(0)	281	281	-	34	178	2,293
2008	1,121	371	9	1,501	1,121	325	(259)	1,186	10.8%	42	273	315	-	1,501	-	(0)	202	202	73	-	250	2,264
2009	1,206	390	13	1,609	1,206	423	(314)	1,315	10.8%	42	253	295	-	1,609	-	(0)	141	141	50	-	300	2,204
2010	1,482	422	16	1,920	1,482	447	(472)	1,457	10.8%	42	328	370	-	1,827	(93)	(93)	-	(93)	193	-	494	2,000
2011	1,599	438	26	2,062	1,599	493	(477)	1,615	10.8%	42	182	224	-	1,839	(224)	(317)	-	(317)	174	-	668	1,753
2012	1,908	419	35	2,362	1,908	520	(639)	1,789	10.8%	42	177	219	-	2,008	(354)	(671)	-	(671)	289	-	957	1,428
2013	2,062	381	50	2,493	2,062	516	(595)	1,983	10.8%	42	171	213	-	2,196	(297)	(969)	-	(969)	237	-	1,194	1,126
2014	2,228	323	63	2,613	2,228	488	(519)	2,197	10.8%	-	165	165	-	2,363	(251)	(1,219)	-	(1,219)	199	-	1,392	866
2015	2,408	259	73	2,740	2,408	435	(408)	2,435	10.8%	-	160	160	-	2,595	(145)	(1,364)	-	(1,364)	103	-	1,495	657
2016	2,602	197	78	2,878	2,602	371	(275)	2,698	10.8%	-	155	155	-	2,854	(24)	(1,388)	-	(1,388)	-	8	1,487	497
2017	2,812	143	78	3,033	2,812	303	(124)	2,990	10.8%	-	151	151	-	3,141	109	(1,279)	-	(1,279)	-	132	1,355	382
2018	3,039	107	71	3,217	3,039	235	-	3,274	9.5%	-	147	147	-	3,422	204	(1,075)	-	(1,075)	-	221	1,134	296
2019	3,285	78	60	3,422	3,285	183	-	3,468	5.9%	-	144	144	-	3,611	189	(885)	-	(885)	-	202	932	235
2020	3,550	59	49	3,658	3,550	140	-	3,690	6.4%	-	140	140	-	3,830	172	(713)	-	(713)	-	181	751	189
2021	3,837	45	39	3,922	3,837	108	-	3,945	6.9%	-	137	137	-	4,082	161	(553)	-	(553)	-	168	583	154
2022	4,147	35	31	4,213	4,147	83	-	4,231	7.2%	-	134	134	-	4,365	152	(401)	-	(401)	-	157	426	126
2023	4,483	29	22	4,534	4,483	64	-	4,546	7.5%	-	131	131	-	4,678	144	(257)	-	(257)	-	148	278	104
2024	4,845	23	15	4,883	4,845	47	-	4,893	7.6%	-	129	129	-	5,021	139	(119)	-	(119)	-	142	136	87
2025	5,237	18	7	5,263	5,237	33	-	5,270	7.7%	-	111	111	-	5,381	119	(0)	15	15	-	136	-	73
	53,747	4,246	747	58,740	53,747	5,452	(4,082)	55,117		336	3,225	3,561	3	58,680	-				1,529	1,529		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, no lower bounds on stabilization.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,128	2,457	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,671		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	39	-	39	1,325
2007	958	233	2	1,193	958	108	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	(262)	1,157	8.5%	42	198	240	-	1,396	-	(0)	324	324	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	(255)	1,255	8.5%	42	194	236	-	1,491	-	(0)	315	315	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	(250)	1,361	8.5%	42	186	228	-	1,589	-	(0)	311	311	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	(377)	1,476	8.5%	42	304	346	-	1,823	-	(0)	185	185	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	(370)	1,601	8.5%	42	286	328	-	1,930	-	(0)	69	69	66	-	66	678
2013	1,849	188	3	2,041	1,849	241	(353)	1,737	8.5%	42	234	276	-	2,013	(28)	(28)	-	(28)	67	-	133	527
2014	1,996	155	7	2,158	1,996	214	(325)	1,885	8.5%	-	160	160	-	2,045	(113)	(140)	-	(140)	88	-	221	402
2015	2,153	119	12	2,284	2,153	184	(293)	2,044	8.5%	-	156	156	-	2,201	(83)	(224)	-	(224)	64	-	285	306
2016	2,323	88	15	2,426	2,323	147	(253)	2,218	8.5%	-	153	153	-	2,370	(56)	(280)	-	(280)	42	-	327	235
2017	2,507	65	17	2,590	2,507	115	(217)	2,406	8.5%	-	149	149	-	2,555	(35)	(314)	-	(314)	25	-	351	183
2018	2,706	48	18	2,772	2,706	92	(188)	2,610	8.5%	-	146	146	-	2,755	(17)	(331)	-	(331)	9	-	360	145
2019	2,920	37	19	2,975	2,920	74	(162)	2,831	8.5%	-	142	142	-	2,973	(2)	(333)	-	(333)	-	4	357	117
2020	3,151	28	19	3,197	3,151	61	(141)	3,071	8.5%	-	139	139	-	3,210	13	(321)	-	(321)	-	17	340	95
2021	3,400	22	18	3,440	3,400	50	(119)	3,331	8.5%	-	136	136	-	3,468	28	(293)	-	(293)	-	31	309	78
2022	3,670	18	16	3,704	3,670	42	(98)	3,614	8.5%	-	134	134	-	3,747	43	(250)	-	(250)	-	46	262	65
2023	3,960	14	14	3,988	3,960	35	(75)	3,920	8.5%	-	131	131	-	4,051	63	(187)	-	(187)	-	65	198	54
2024	4,274	11	10	4,296	4,274	27	(49)	4,252	8.5%	-	128	128	-	4,380	85	(102)	-	(102)	-	86	112	46
2025	4,613	9	6	4,628	4,613	19	(19)	4,613	8.5%	-	118	118	-	4,731	102	(0)	8	8	-	112	0	39
	48,486	2,419	176	51,082	48,486	2,831	(3,807)	47,510		336	3,174	3,510	3	51,022	-				400	400		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,249	2,476	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,679	2025 Ending Surplus / (Deficit)			9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	82	-	82	1,537
2007	958	267	4	1,229	958	109	-	1,067	0.3%	42	113	155	0	1,223	(6)	(0)	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	(312)	1,163	9.0%	42	244	286	-	1,450	-	(0)	243	243	40	-	46	1,442
2009	1,273	274	2	1,550	1,273	297	(302)	1,268	9.0%	42	240	282	-	1,550	-	(0)	187	187	33	-	79	1,331
2010	1,371	279	4	1,655	1,371	306	(296)	1,382	9.0%	42	231	273	-	1,655	-	(0)	136	136	24	-	103	1,193
2011	1,633	273	5	1,912	1,633	313	(441)	1,506	9.0%	42	311	353	-	1,859	(52)	(52)	-	(52)	146	-	249	983
2012	1,763	251	13	2,027	1,763	315	(436)	1,641	9.0%	42	171	213	-	1,854	(173)	(225)	-	(225)	133	-	382	786
2013	1,903	218	20	2,141	1,903	298	(412)	1,789	9.0%	42	166	208	-	1,996	(145)	(370)	-	(370)	110	-	492	611
2014	2,054	180	26	2,259	2,054	268	(373)	1,949	9.0%	-	161	161	-	2,110	(149)	(519)	-	(519)	120	-	612	466
2015	2,217	138	32	2,387	2,217	233	(325)	2,125	9.0%	-	157	157	-	2,281	(106)	(624)	-	(624)	83	-	695	354
2016	2,393	102	36	2,531	2,393	192	(270)	2,315	9.0%	-	153	153	-	2,468	(63)	(687)	-	(687)	46	-	742	273
2017	2,583	75	39	2,698	2,583	155	(214)	2,524	9.0%	-	149	149	-	2,673	(25)	(712)	-	(712)	13	-	754	213
2018	2,789	56	40	2,884	2,789	126	(165)	2,750	9.0%	-	146	146	-	2,896	12	(700)	-	(700)	-	21	734	168
2019	3,011	42	39	3,092	3,011	104	(117)	2,998	9.0%	-	143	143	-	3,140	48	(652)	-	(652)	-	55	679	135
2020	3,251	32	36	3,318	3,251	86	(70)	3,267	9.0%	-	140	140	-	3,407	88	(564)	-	(564)	-	93	586	110
2021	3,510	25	31	3,566	3,510	69	(39)	3,540	8.4%	-	137	137	-	3,676	111	(453)	-	(453)	-	115	471	91
2022	3,789	21	25	3,834	3,789	55	(31)	3,813	7.7%	-	134	134	-	3,947	112	(340)	-	(340)	-	116	355	75
2023	4,091	16	19	4,126	4,091	43	(24)	4,110	7.8%	-	131	131	-	4,241	115	(225)	-	(225)	-	117	238	63
2024	4,417	13	12	4,443	4,417	32	(18)	4,431	7.8%	-	128	128	-	4,559	116	(109)	-	(109)	-	118	119	53
2025	4,769	11	6	4,786	4,769	21	(12)	4,778	7.8%	-	117	117	-	4,895	109	(0)	9	9	-	119	0	45
	49,894	2,764	390	53,048	49,894	3,442	(3,857)	49,479		336	3,171	3,507	3	52,989	-				830	830		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,355	2,497	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,678		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	123	-	123	1,746
2007	958	286	6	1,250	958	111	-	1,068	0.4%	42	134	176	0	1,245	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	(348)	1,172	9.7%	42	292	334	-	1,506	-	(0)	178	178	84	-	153	1,653
2009	1,294	311	8	1,612	1,294	341	(349)	1,285	9.7%	42	285	327	-	1,612	-	(0)	79	79	74	-	227	1,528
2010	1,394	320	12	1,726	1,394	355	(339)	1,410	9.7%	42	260	302	-	1,712	(14)	(14)	-	(14)	61	-	288	1,369
2011	1,677	315	15	2,008	1,677	369	(500)	1,546	9.7%	42	177	219	-	1,765	(242)	(257)	-	(257)	194	-	482	1,126
2012	1,811	288	25	2,124	1,811	375	(490)	1,696	9.7%	42	172	214	-	1,910	(215)	(472)	-	(472)	170	-	652	899
2013	1,956	250	34	2,240	1,956	355	(450)	1,860	9.7%	42	167	209	-	2,069	(171)	(643)	-	(643)	131	-	783	699
2014	2,112	206	41	2,358	2,112	321	(392)	2,040	9.7%	-	162	162	-	2,202	(156)	(799)	-	(799)	123	-	906	533
2015	2,280	158	48	2,486	2,280	278	(321)	2,238	9.7%	-	157	157	-	2,395	(91)	(890)	-	(890)	65	-	971	405
2016	2,463	116	51	2,630	2,463	230	(238)	2,455	9.7%	-	153	153	-	2,608	(22)	(912)	-	(912)	3	-	975	312
2017	2,660	86	51	2,797	2,660	184	(151)	2,692	9.7%	-	150	150	-	2,842	45	(867)	-	(867)	-	59	916	243
2018	2,872	64	48	2,984	2,872	148	(83)	2,937	9.1%	-	146	146	-	3,083	99	(769)	-	(769)	-	109	807	193
2019	3,102	49	42	3,193	3,102	117	(66)	3,153	7.4%	-	143	143	-	3,296	103	(665)	-	(665)	-	111	696	154
2020	3,350	37	37	3,424	3,350	94	(53)	3,392	7.5%	-	140	140	-	3,531	108	(558)	-	(558)	-	113	583	126
2021	3,619	29	31	3,678	3,619	74	(41)	3,651	7.7%	-	137	137	-	3,788	110	(448)	-	(448)	-	114	469	104
2022	3,908	24	25	3,957	3,908	59	(33)	3,934	7.8%	-	134	134	-	4,068	111	(337)	-	(337)	-	115	354	86
2023	4,222	19	19	4,259	4,222	46	(26)	4,242	7.8%	-	131	131	-	4,373	114	(223)	-	(223)	-	117	237	71
2024	4,560	15	12	4,587	4,560	34	(19)	4,575	7.8%	-	128	128	-	4,703	116	(107)	-	(107)	-	118	119	60
2025	4,925	12	6	4,944	4,925	23	(13)	4,935	7.9%	-	115	115	-	5,051	107	(0)	10	10	-	119	0	51
	51,302	3,109	515	54,926	51,302	3,956	(3,913)	51,345		336	3,183	3,519	3	54,867	-				1,029	1,029		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,450	2,511	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,662		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	164	-	164	1,951
2007	958	286	9	1,253	958	112	-	1,069	0.5%	42	135	177	0	1,247	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	(359)	1,182	10.6%	42	337	379	-	1,562	-	(0)	135	135	125	-	241	1,880
2009	1,315	348	13	1,675	1,315	383	(391)	1,307	10.6%	42	323	365	-	1,672	(3)	(3)	-	(3)	110	-	351	1,740
2010	1,417	363	18	1,799	1,417	403	(375)	1,445	10.6%	42	183	225	-	1,670	(129)	(132)	-	(132)	92	-	443	1,557
2011	1,721	360	23	2,105	1,721	425	(550)	1,597	10.6%	42	178	220	-	1,818	(288)	(420)	-	(420)	232	-	675	1,280
2012	1,859	328	35	2,223	1,859	436	(529)	1,766	10.6%	42	173	215	-	1,981	(243)	(662)	-	(662)	191	-	867	1,021
2013	2,009	285	45	2,339	2,009	411	(468)	1,952	10.6%	42	168	210	-	2,162	(178)	(840)	-	(840)	132	-	998	793
2014	2,170	233	52	2,455	2,170	371	(383)	2,158	10.6%	-	163	163	-	2,320	(135)	(975)	-	(975)	97	-	1,096	605
2015	2,344	180	58	2,581	2,344	320	(278)	2,385	10.6%	-	158	158	-	2,543	(38)	(1,012)	-	(1,012)	9	-	1,104	459
2016	2,532	132	58	2,722	2,532	261	(157)	2,637	10.6%	-	154	154	-	2,791	69	(944)	-	(944)	-	90	1,014	354
2017	2,736	97	53	2,886	2,736	203	(114)	2,825	7.1%	-	150	150	-	2,975	89	(855)	-	(855)	-	104	910	276
2018	2,956	73	48	3,076	2,956	160	(90)	3,026	7.1%	-	146	146	-	3,172	96	(759)	-	(759)	-	107	803	218
2019	3,193	55	42	3,291	3,193	126	(71)	3,249	7.4%	-	143	143	-	3,392	101	(658)	-	(658)	-	110	693	175
2020	3,450	41	36	3,528	3,450	101	(57)	3,494	7.6%	-	140	140	-	3,634	106	(552)	-	(552)	-	113	580	143
2021	3,728	33	30	3,791	3,728	79	(44)	3,763	7.7%	-	137	137	-	3,899	108	(443)	-	(443)	-	113	467	118
2022	4,028	27	25	4,079	4,028	63	(35)	4,055	7.8%	-	134	134	-	4,189	110	(333)	-	(333)	-	114	353	97
2023	4,352	21	19	4,392	4,352	50	(28)	4,374	7.9%	-	131	131	-	4,505	113	(220)	-	(220)	-	116	236	81
2024	4,703	17	12	4,732	4,703	37	(21)	4,719	7.9%	-	128	128	-	4,847	115	(105)	-	(105)	-	118	119	68
2025	5,081	14	6	5,102	5,081	26	(14)	5,093	7.9%	-	114	114	-	5,207	105	(0)	12	12	-	119	0	58
	52,711	3,453	590	56,753	52,711	4,413	(3,964)	53,159		336	3,196	3,532	3	56,693	-				1,153	1,153		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 11.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,540	2,523	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,640		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	206	-	206	2,156
2007	958	286	11	1,255	958	113	-	1,070	0.6%	42	136	178	0	1,249	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	(369)	1,194	11.6%	42	381	423	-	1,617	-	0	94	94	165	-	327	2,106
2009	1,335	385	17	1,737	1,335	426	(429)	1,332	11.6%	42	283	325	-	1,658	(79)	(79)	-	(79)	142	-	469	1,952
2010	1,440	406	25	1,870	1,440	450	(403)	1,487	11.6%	42	185	227	-	1,714	(157)	(236)	-	(236)	116	-	585	1,746
2011	1,766	406	31	2,202	1,766	481	(587)	1,659	11.6%	42	180	222	-	1,881	(321)	(557)	-	(557)	259	-	844	1,434
2012	1,908	369	44	2,321	1,908	495	(552)	1,851	11.6%	42	174	216	-	2,067	(254)	(811)	-	(811)	196	-	1,040	1,143
2013	2,062	320	55	2,436	2,062	466	(462)	2,065	11.6%	42	169	211	-	2,276	(160)	(971)	-	(971)	109	-	1,149	887
2014	2,228	261	60	2,549	2,228	418	(342)	2,304	11.6%	-	163	163	-	2,468	(81)	(1,053)	-	(1,053)	39	-	1,188	677
2015	2,408	201	62	2,671	2,408	355	(199)	2,563	11.3%	-	159	159	-	2,722	51	(1,002)	-	(1,002)	-	83	1,105	514
2016	2,602	147	58	2,807	2,602	285	(160)	2,727	6.4%	-	154	154	-	2,881	74	(928)	-	(928)	-	98	1,007	395
2017	2,812	109	53	2,974	2,812	220	(124)	2,909	6.7%	-	150	150	-	3,059	85	(843)	-	(843)	-	103	904	309
2018	3,039	82	47	3,168	3,039	172	(96)	3,114	7.1%	-	147	147	-	3,261	93	(750)	-	(750)	-	106	799	244
2019	3,285	62	42	3,388	3,285	136	(76)	3,344	7.4%	-	143	143	-	3,487	99	(651)	-	(651)	-	109	690	195
2020	3,550	46	36	3,632	3,550	108	(61)	3,597	7.6%	-	140	140	-	3,737	105	(546)	-	(546)	-	112	578	160
2021	3,837	36	30	3,904	3,837	84	(47)	3,874	7.7%	-	137	137	-	4,011	107	(439)	-	(439)	-	113	465	132
2022	4,147	30	24	4,202	4,147	67	(38)	4,177	7.8%	-	134	134	-	4,311	109	(330)	-	(330)	-	114	351	109
2023	4,483	24	18	4,525	4,483	53	(30)	4,506	7.9%	-	131	131	-	4,637	112	(217)	-	(217)	-	116	236	91
2024	4,845	19	12	4,877	4,845	40	(22)	4,863	7.9%	-	128	128	-	4,991	114	(103)	-	(103)	-	117	118	76
2025	5,237	16	6	5,259	5,237	28	(16)	5,250	8.0%	-	113	113	-	5,363	103	(0)	13	13	-	118	0	64
	54,119	3,797	642	58,557	54,119	4,845	(4,013)	54,951		336	3,208	3,544	3	58,498	-				1,231	1,231		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,126	2,457	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,676		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	46	-	46	1,360
2007	958	233	2	1,193	958	109	-	1,066	0.3%	42	79	121	0	1,187	(6)	(0)	332	332	-	46	-	1,401
2008	1,030	236	-	1,265	1,030	256	(144)	1,142	7.1%	42	81	123	-	1,265	-	(0)	440	440	-	-	-	1,429
2009	1,107	245	-	1,352	1,107	259	(145)	1,220	6.9%	42	90	132	-	1,352	-	(0)	541	541	-	-	-	1,440
2010	1,349	259	-	1,608	1,349	270	(290)	1,329	8.9%	42	237	279	-	1,608	-	(0)	495	495	-	-	-	1,370
2011	1,453	272	-	1,724	1,453	285	(291)	1,446	8.9%	42	236	278	-	1,724	-	(0)	445	445	-	-	-	1,264
2012	1,565	276	-	1,841	1,565	299	(289)	1,574	8.9%	42	224	266	-	1,841	-	(0)	401	401	-	-	-	1,131
2013	1,849	266	-	2,115	1,849	303	(439)	1,714	8.9%	42	359	401	-	2,115	-	(0)	218	218	-	-	-	926
2014	1,996	241	-	2,237	1,996	292	(422)	1,866	8.9%	-	371	371	-	2,237	-	(0)	12	12	135	-	135	735
2015	2,153	207	7	2,368	2,153	273	(395)	2,031	8.9%	-	171	171	-	2,202	(166)	(166)	-	(166)	144	-	280	569
2016	2,323	172	15	2,510	2,323	244	(357)	2,211	8.9%	-	155	155	-	2,366	(145)	(310)	-	(310)	117	-	396	429
2017	2,507	132	21	2,660	2,507	212	(312)	2,407	8.9%	-	151	151	-	2,558	(102)	(413)	-	(413)	81	-	477	322
2018	2,706	95	25	2,826	2,706	173	(258)	2,620	8.9%	-	147	147	-	2,767	(59)	(472)	-	(472)	44	-	521	245
2019	2,920	69	27	3,016	2,920	135	(202)	2,852	8.9%	-	143	143	-	2,996	(21)	(492)	-	(492)	9	-	530	189
2020	3,151	51	28	3,230	3,151	107	(152)	3,105	8.9%	-	140	140	-	3,245	15	(477)	-	(477)	-	24	507	149
2021	3,400	39	27	3,466	3,400	85	(105)	3,380	8.9%	-	137	137	-	3,517	51	(426)	-	(426)	-	57	449	118
2022	3,670	29	24	3,722	3,670	69	(59)	3,680	8.9%	-	134	134	-	3,814	92	(334)	-	(334)	-	96	353	95
2023	3,960	22	19	4,001	3,960	52	(29)	3,983	8.2%	-	131	131	-	4,114	113	(221)	-	(221)	-	117	237	78
2024	4,274	18	12	4,304	4,274	38	(21)	4,291	7.7%	-	128	128	-	4,419	115	(106)	-	(106)	-	118	119	65
2025	4,613	14	6	4,633	4,613	26	(15)	4,625	7.8%	-	115	115	-	4,739	106	0	11	11	-	119	0	54
	47,922	3,098	213	51,233	47,922	3,613	(3,927)	47,608		336	3,228	3,564	3	51,174	-				577	577		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,229	2,469	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,661		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	90	-	90	1,577
2007	958	267	5	1,229	958	110	-	1,067	0.4%	42	114	156	0	1,223	(6)	(0)	299	299	-	63	26	1,625
2008	1,030	270	1	1,300	1,030	295	(165)	1,159	8.6%	42	100	142	-	1,300	-	(0)	389	389	-	26	-	1,657
2009	1,107	282	-	1,389	1,107	296	(166)	1,237	6.7%	42	110	152	-	1,389	-	(0)	467	467	-	-	-	1,669
2010	1,371	301	-	1,672	1,371	310	(328)	1,353	9.4%	42	277	319	-	1,672	-	(0)	378	378	-	-	-	1,586
2011	1,478	317	-	1,794	1,478	331	(328)	1,480	9.4%	42	272	314	-	1,794	-	(0)	288	288	4	-	4	1,460
2012	1,592	320	0	1,912	1,592	348	(321)	1,620	9.4%	42	250	292	-	1,912	-	(0)	212	212	45	-	49	1,304
2013	1,903	307	3	2,212	1,903	354	(485)	1,772	9.4%	42	382	424	-	2,196	(17)	(17)	-	(17)	181	-	230	1,066
2014	2,054	278	12	2,343	2,054	351	(466)	1,939	9.4%	-	165	165	-	2,103	(240)	(257)	-	(257)	196	-	426	847
2015	2,217	239	22	2,478	2,217	330	(426)	2,121	9.4%	-	160	160	-	2,281	(198)	(454)	-	(454)	159	-	585	655
2016	2,393	198	31	2,622	2,393	297	(370)	2,320	9.4%	-	155	155	-	2,476	(146)	(601)	-	(601)	114	-	700	494
2017	2,583	152	37	2,772	2,583	258	(303)	2,539	9.4%	-	151	151	-	2,690	(82)	(683)	-	(683)	58	-	757	371
2018	2,789	110	40	2,939	2,789	211	(222)	2,777	9.4%	-	147	147	-	2,924	(14)	(697)	-	(697)	-	4	754	282
2019	3,011	80	40	3,130	3,011	164	(137)	3,038	9.4%	-	144	144	-	3,182	52	(645)	-	(645)	-	65	689	218
2020	3,251	59	36	3,345	3,251	127	(72)	3,307	8.8%	-	140	140	-	3,447	101	(544)	-	(544)	-	111	578	172
2021	3,510	45	30	3,585	3,510	98	(55)	3,552	7.4%	-	137	137	-	3,689	105	(439)	-	(439)	-	112	467	136
2022	3,789	33	25	3,847	3,789	76	(43)	3,823	7.6%	-	134	134	-	3,957	110	(330)	-	(330)	-	115	352	110
2023	4,091	26	18	4,135	4,091	57	(32)	4,116	7.7%	-	131	131	-	4,247	112	(218)	-	(218)	-	116	236	90
2024	4,417	21	12	4,450	4,417	42	(23)	4,435	7.8%	-	128	128	-	4,564	114	(104)	-	(104)	-	117	119	75
2025	4,769	16	6	4,791	4,769	29	(17)	4,782	7.8%	-	113	113	-	4,895	104	0	13	13	-	119	0	63
	49,250	3,540	318	53,108	49,250	4,211	(3,960)	49,501		336	3,209	3,545	3	53,049	-				847	847		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,329	2,491	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,655		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	132	-	132	1,791
2007	958	286	7	1,251	958	111	-	1,068	0.5%	42	134	176	0	1,245	(6)	(0)	280	280	-	40	92	1,859
2008	1,030	304	5	1,338	1,030	320	(180)	1,170	9.5%	42	126	168	-	1,338	-	(0)	345	345	-	58	34	1,896
2009	1,107	319	2	1,428	1,107	336	(189)	1,254	7.2%	42	131	173	-	1,428	-	(0)	401	401	-	34	-	1,908
2010	1,394	344	-	1,738	1,394	351	(364)	1,381	10.1%	42	316	358	-	1,738	-	(0)	271	271	91	-	91	1,811
2011	1,502	364	5	1,871	1,502	384	(366)	1,520	10.1%	42	309	351	-	1,871	-	(0)	143	143	99	-	189	1,662
2012	1,619	365	10	1,994	1,619	411	(357)	1,674	10.1%	42	279	321	-	1,994	-	(0)	40	40	67	-	256	1,483
2013	1,956	351	13	2,320	1,956	417	(530)	1,843	10.1%	42	212	254	-	2,097	(223)	(223)	-	(223)	209	-	465	1,211
2014	2,112	316	24	2,452	2,112	413	(496)	2,029	10.1%	-	166	166	-	2,195	(257)	(480)	-	(480)	207	-	673	962
2015	2,280	272	35	2,588	2,280	386	(433)	2,234	10.1%	-	161	161	-	2,395	(193)	(674)	-	(674)	150	-	822	743
2016	2,463	225	43	2,731	2,463	347	(350)	2,459	10.1%	-	156	156	-	2,615	(115)	(789)	-	(789)	79	-	901	561
2017	2,660	172	47	2,879	2,660	299	(251)	2,708	10.1%	-	152	152	-	2,859	(20)	(808)	-	(808)	-	8	893	421
2018	2,872	125	47	3,044	2,872	241	(135)	2,978	10.0%	-	148	148	-	3,125	81	(727)	-	(727)	-	101	791	321
2019	3,102	90	42	3,234	3,102	183	(103)	3,182	6.9%	-	144	144	-	3,326	92	(635)	-	(635)	-	107	685	248
2020	3,350	66	36	3,453	3,350	139	(78)	3,411	7.2%	-	140	140	-	3,552	99	(536)	-	(536)	-	110	575	195
2021	3,619	51	30	3,700	3,619	106	(60)	3,665	7.4%	-	137	137	-	3,802	103	(433)	-	(433)	-	111	464	155
2022	3,908	38	24	3,971	3,908	83	(47)	3,945	7.6%	-	134	134	-	4,079	108	(325)	-	(325)	-	114	350	125
2023	4,222	29	18	4,269	4,222	62	(35)	4,249	7.7%	-	131	131	-	4,380	111	(214)	-	(214)	-	115	235	103
2024	4,560	23	12	4,596	4,560	46	(26)	4,580	7.8%	-	129	129	-	4,708	113	(101)	-	(101)	-	116	118	85
2025	4,925	18	6	4,950	4,925	33	(18)	4,940	7.9%	-	112	112	-	5,051	101	(0)	14	14	-	118	0	71
	50,577	3,982	408	54,967	50,577	4,791	(4,015)	51,353		336	3,216	3,552	3	54,908	-				1,034	1,034		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 11.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,421	2,515	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,648		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	174	-	174	2,001
2007	958	286	9	1,253	958	112	-	1,070	0.6%	42	136	178	0	1,247	(6)	(0)	280	280	-	33	141	2,107
2008	1,030	338	7	1,375	1,030	323	(181)	1,171	9.5%	42	162	204	-	1,375	-	(0)	312	312	-	23	118	2,150
2009	1,107	357	6	1,470	1,107	379	(213)	1,273	8.7%	42	155	197	-	1,470	-	(0)	347	347	-	32	86	2,162
2010	1,417	390	5	1,811	1,417	398	(402)	1,412	11.0%	42	357	399	-	1,811	-	(0)	176	176	148	-	233	2,049
2011	1,527	415	12	1,954	1,527	442	(402)	1,567	11.0%	42	345	387	-	1,954	-	(0)	14	14	128	-	361	1,876
2012	1,646	414	19	2,079	1,646	477	(384)	1,739	11.0%	42	192	234	-	1,972	(107)	(107)	-	(107)	80	-	441	1,669
2013	2,009	397	23	2,428	2,009	481	(561)	1,929	11.0%	42	173	215	-	2,144	(284)	(391)	-	(391)	223	-	663	1,362
2014	2,170	355	35	2,560	2,170	474	(503)	2,141	11.0%	-	167	167	-	2,308	(252)	(643)	-	(643)	196	-	859	1,081
2015	2,344	306	45	2,695	2,344	441	(409)	2,375	11.0%	-	162	162	-	2,537	(158)	(801)	-	(801)	109	-	968	835
2016	2,532	252	51	2,836	2,532	393	(289)	2,636	11.0%	-	157	157	-	2,793	(43)	(844)	-	(844)	2	-	970	631
2017	2,736	193	51	2,980	2,736	334	(187)	2,882	9.4%	-	152	152	-	3,034	55	(790)	-	(790)	-	86	884	474
2018	2,956	140	46	3,143	2,956	263	(148)	3,071	6.6%	-	148	148	-	3,219	76	(713)	-	(713)	-	99	785	360
2019	3,193	102	41	3,336	3,193	200	(112)	3,281	6.8%	-	144	144	-	3,425	89	(624)	-	(624)	-	105	680	279
2020	3,450	74	36	3,560	3,450	151	(85)	3,517	7.2%	-	141	141	-	3,657	97	(527)	-	(527)	-	109	571	220
2021	3,728	57	30	3,815	3,728	115	(64)	3,778	7.4%	-	137	137	-	3,916	101	(427)	-	(427)	-	110	462	175
2022	4,028	43	24	4,095	4,028	90	(50)	4,067	7.6%	-	134	134	-	4,202	107	(320)	-	(320)	-	113	348	141
2023	4,352	33	18	4,403	4,352	67	(38)	4,382	7.7%	-	131	131	-	4,513	110	(210)	-	(210)	-	115	234	116
2024	4,703	27	12	4,741	4,703	50	(28)	4,724	7.8%	-	129	129	-	4,853	112	(99)	-	(99)	-	116	118	96
2025	5,081	21	6	5,108	5,081	36	(20)	5,097	7.9%	-	110	110	-	5,207	99	0	16	16	-	118	0	80
	51,905	4,423	478	56,806	51,905	5,349	(4,078)	53,177		336	3,231	3,567	3	56,746	-				1,059	1,059		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 12.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,511	2,534	59	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,634		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	217	-	217	2,211
2007	958	286	11	1,255	958	113	-	1,071	0.7%	42	137	179	0	1,250	(6)	(0)	281	281	-	26	190	2,355
2008	1,030	372	10	1,412	1,030	326	(183)	1,172	9.5%	42	198	240	-	1,412	-	(0)	279	279	12	-	202	2,403
2009	1,107	395	11	1,512	1,107	421	(237)	1,292	10.2%	42	178	220	-	1,512	-	(0)	292	292	-	11	191	2,417
2010	1,440	435	10	1,885	1,440	445	(438)	1,447	12.0%	42	396	438	-	1,885	-	(0)	85	85	182	-	373	2,287
2011	1,552	465	20	2,037	1,552	500	(432)	1,620	12.0%	42	269	311	-	1,931	(106)	(106)	-	(106)	151	-	524	2,089
2012	1,673	464	28	2,164	1,673	542	(401)	1,814	12.0%	42	179	221	-	2,036	(129)	(235)	-	(235)	82	-	606	1,856
2013	2,062	442	32	2,536	2,062	545	(575)	2,032	12.0%	42	174	216	-	2,248	(288)	(522)	-	(522)	219	-	825	1,513
2014	2,228	395	43	2,667	2,228	534	(486)	2,276	12.0%	-	168	168	-	2,444	(222)	(744)	-	(744)	160	-	985	1,201
2015	2,408	340	52	2,800	2,408	492	(351)	2,549	12.0%	-	163	163	-	2,712	(88)	(833)	-	(833)	34	-	1,018	928
2016	2,602	280	53	2,936	2,602	433	(243)	2,792	9.5%	-	157	157	-	2,949	14	(819)	-	(819)	-	59	959	700
2017	2,812	214	50	3,076	2,812	364	(204)	2,971	6.4%	-	153	153	-	3,124	48	(771)	-	(771)	-	83	876	527
2018	3,039	156	46	3,241	3,039	286	(160)	3,164	6.5%	-	148	148	-	3,313	72	(699)	-	(699)	-	97	779	400
2019	3,285	113	41	3,439	3,285	217	(122)	3,380	6.8%	-	144	144	-	3,524	86	(613)	-	(613)	-	104	675	310
2020	3,550	82	35	3,668	3,550	163	(92)	3,622	7.2%	-	141	141	-	3,763	95	(519)	-	(519)	-	108	568	244
2021	3,837	63	30	3,930	3,837	124	(69)	3,891	7.4%	-	138	138	-	4,029	99	(420)	-	(420)	-	109	459	194
2022	4,147	47	24	4,219	4,147	96	(54)	4,190	7.7%	-	134	134	-	4,324	105	(315)	-	(315)	-	113	347	157
2023	4,483	37	18	4,538	4,483	72	(40)	4,514	7.8%	-	132	132	-	4,646	108	(207)	-	(207)	-	114	233	129
2024	4,845	30	12	4,887	4,845	54	(30)	4,869	7.9%	-	129	129	-	4,998	111	(96)	-	(96)	-	115	118	106
2025	5,237	23	6	5,267	5,237	39	(22)	5,255	7.9%	-	108	108	-	5,363	96	0	18	18	-	118	0	89
	53,233	4,864	532	58,629	53,233	5,891	(4,140)	54,984		336	3,247	3,583	3	58,570	-				1,055	1,055		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,095	2,448	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,648		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	45	-	45	1,351
2007	958	233	2	1,193	958	109	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,376
2008	1,059	235	-	1,295	1,059	256	(159)	1,157	8.5%	42	96	138	-	1,295	-	(0)	425	425	-	-	-	1,390
2009	1,170	243	-	1,413	1,170	259	(174)	1,254	8.5%	42	117	159	-	1,413	-	(0)	498	498	-	-	-	1,385
2010	1,290	254	-	1,545	1,290	268	(198)	1,361	8.5%	42	142	184	-	1,545	-	(0)	545	545	-	-	-	1,356
2011	1,422	263	-	1,685	1,422	280	(226)	1,476	8.5%	42	167	209	-	1,685	-	(0)	566	566	-	-	-	1,302
2012	1,565	266	-	1,831	1,565	290	(254)	1,601	8.5%	42	188	230	-	1,831	-	(0)	564	564	-	-	-	1,225
2013	1,721	260	-	1,981	1,721	292	(277)	1,736	8.5%	42	203	245	-	1,981	-	(0)	543	543	-	-	-	1,129
2014	1,892	248	-	2,140	1,892	286	(295)	1,883	8.5%	-	257	257	-	2,140	-	(0)	464	464	-	-	-	1,014
2015	2,079	231	-	2,310	2,079	272	(309)	2,043	8.5%	-	268	268	-	2,310	-	(0)	368	368	-	-	-	881
2016	2,283	213	-	2,496	2,283	255	(322)	2,215	8.5%	-	281	281	-	2,496	-	(0)	252	252	-	-	-	737
2017	2,507	190	-	2,697	2,507	234	(338)	2,403	8.5%	-	294	294	-	2,697	-	(0)	115	115	2	-	2	587
2018	2,706	163	0	2,869	2,706	209	(308)	2,606	8.5%	-	263	263	-	2,869	-	(0)	1	1	88	-	90	456
2019	2,920	134	5	3,058	2,920	185	(278)	2,827	8.5%	-	146	146	-	2,973	(85)	(85)	-	(85)	65	-	155	348
2020	3,151	105	8	3,264	3,151	156	(241)	3,066	8.5%	-	141	141	-	3,207	(56)	(141)	-	(141)	39	-	194	264
2021	3,400	78	10	3,488	3,400	126	(201)	3,326	8.5%	-	138	138	-	3,463	(25)	(166)	-	(166)	12	-	206	201
2022	3,670	57	11	3,737	3,670	98	(160)	3,607	8.5%	-	135	135	-	3,742	4	(162)	-	(162)	-	13	193	155
2023	3,960	42	10	4,012	3,960	74	(122)	3,913	8.5%	-	132	132	-	4,044	32	(130)	-	(130)	-	38	155	122
2024	4,274	31	8	4,314	4,274	55	(86)	4,244	8.5%	-	129	129	-	4,372	59	(72)	-	(72)	-	64	91	97
2025	4,613	24	5	4,642	4,613	40	(50)	4,603	8.5%	-	110	110	-	4,713	72	(0)	16	16	-	91	-	79
	47,579	3,493	59	51,131	47,579	3,867	(3,997)	47,450		336	3,284	3,620	3	51,072	-				251	251		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,200	2,464	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,639		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	88	-	88	1,567
2007	958	267	5	1,229	958	110	-	1,067	0.4%	42	114	156	0	1,223	(6)	0	299	299	-	67	20	1,596
2008	1,064	269	1	1,334	1,064	294	(196)	1,163	8.9%	42	129	171	-	1,334	-	0	359	359	-	20	-	1,612
2009	1,179	280	-	1,459	1,179	296	(209)	1,266	8.9%	42	151	193	-	1,459	-	0	395	395	-	-	-	1,606
2010	1,305	296	-	1,600	1,305	308	(233)	1,379	8.9%	42	179	221	-	1,600	-	0	401	401	-	-	-	1,570
2011	1,442	307	-	1,749	1,442	325	(265)	1,502	8.9%	42	205	247	-	1,749	-	0	379	379	-	-	-	1,503
2012	1,592	308	-	1,900	1,592	338	(293)	1,636	8.9%	42	222	264	-	1,900	-	0	335	335	-	-	-	1,412
2013	1,756	301	-	2,057	1,756	339	(313)	1,782	8.9%	42	232	274	-	2,057	-	0	275	275	-	-	-	1,298
2014	1,935	285	-	2,221	1,935	331	(325)	1,941	8.9%	-	279	279	-	2,221	-	0	163	163	70	-	70	1,166
2015	2,132	267	4	2,402	2,132	318	(335)	2,114	8.9%	-	288	288	-	2,402	-	0	38	38	95	-	165	1,012
2016	2,347	244	9	2,600	2,347	303	(347)	2,303	8.9%	-	196	196	-	2,499	(101)	(101)	-	(101)	106	-	271	846
2017	2,583	218	14	2,816	2,583	284	(359)	2,508	8.9%	-	154	154	-	2,662	(154)	(255)	-	(255)	119	-	390	674
2018	2,789	187	20	2,997	2,789	262	(319)	2,732	8.9%	-	150	150	-	2,882	(115)	(370)	-	(370)	85	-	475	524
2019	3,011	153	25	3,189	3,011	234	(269)	2,976	8.9%	-	145	145	-	3,121	(68)	(438)	-	(438)	43	-	518	400
2020	3,251	120	27	3,398	3,251	199	(208)	3,241	8.9%	-	142	142	-	3,383	(15)	(453)	-	(453)	-	5	514	303
2021	3,510	89	27	3,626	3,510	161	(141)	3,530	8.9%	-	138	138	-	3,668	43	(410)	-	(410)	-	57	457	231
2022	3,789	65	24	3,878	3,789	125	(70)	3,844	8.9%	-	135	135	-	3,979	100	(310)	-	(310)	-	111	346	178
2023	4,091	48	18	4,157	4,091	92	(52)	4,131	7.5%	-	132	132	-	4,263	106	(205)	-	(205)	-	113	233	140
2024	4,417	36	12	4,465	4,417	67	(37)	4,446	7.6%	-	129	129	-	4,575	110	(95)	-	(95)	-	115	117	112
2025	4,769	27	6	4,803	4,769	46	(26)	4,789	7.7%	-	108	108	-	4,897	95	0	18	18	-	117	-	90
	48,858	3,991	192	53,041	48,858	4,556	(3,997)	49,417		336	3,226	3,562	3	52,982	-				606	606		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,302	2,498	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,651		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	130	-	130	1,780
2007	958	286	7	1,251	958	111	-	1,068	0.5%	42	134	176	0	1,245	(6)	(0)	280	280	-	45	86	1,826
2008	1,068	303	4	1,376	1,068	320	(218)	1,170	9.5%	42	164	206	-	1,376	-	(0)	307	307	-	23	62	1,845
2009	1,188	317	3	1,508	1,188	337	(244)	1,281	9.5%	42	185	227	-	1,508	-	(0)	309	309	-	4	59	1,838
2010	1,319	338	3	1,661	1,319	352	(269)	1,402	9.5%	42	216	258	-	1,661	-	(0)	277	277	23	-	82	1,793
2011	1,462	353	4	1,820	1,462	377	(304)	1,535	9.5%	42	242	284	-	1,820	-	(0)	215	215	46	-	128	1,711
2012	1,619	353	7	1,978	1,619	396	(334)	1,681	9.5%	42	255	297	-	1,978	-	(0)	136	136	57	-	185	1,604
2013	1,791	343	10	2,144	1,791	399	(349)	1,841	9.5%	42	261	303	-	2,144	-	(0)	47	47	62	-	247	1,472
2014	1,979	324	13	2,316	1,979	392	(355)	2,015	9.5%	-	215	215	-	2,230	(86)	(86)	-	(86)	102	-	350	1,320
2015	2,185	303	18	2,506	2,185	377	(355)	2,206	9.5%	-	164	164	-	2,370	(136)	(221)	-	(221)	101	-	450	1,145
2016	2,411	277	24	2,712	2,411	359	(354)	2,416	9.5%	-	159	159	-	2,575	(137)	(358)	-	(358)	99	-	549	956
2017	2,660	247	29	2,935	2,660	336	(351)	2,645	9.5%	-	155	155	-	2,800	(136)	(494)	-	(494)	97	-	646	762
2018	2,872	212	34	3,118	2,872	309	(285)	2,896	9.5%	-	150	150	-	3,046	(72)	(566)	-	(566)	38	-	684	592
2019	3,102	173	36	3,312	3,102	273	(205)	3,171	9.5%	-	146	146	-	3,316	5	(561)	-	(561)	-	33	652	452
2020	3,350	135	34	3,520	3,350	228	(128)	3,451	8.8%	-	142	142	-	3,593	73	(488)	-	(488)	-	95	557	343
2021	3,619	101	29	3,749	3,619	181	(102)	3,698	7.2%	-	138	138	-	3,836	88	(401)	-	(401)	-	104	453	261
2022	3,908	74	24	4,006	3,908	137	(77)	3,969	7.3%	-	135	135	-	4,104	98	(303)	-	(303)	-	109	344	202
2023	4,222	55	18	4,294	4,222	101	(57)	4,266	7.5%	-	132	132	-	4,398	104	(200)	-	(200)	-	112	231	159
2024	4,560	41	12	4,613	4,560	73	(41)	4,592	7.6%	-	129	129	-	4,721	108	(91)	-	(91)	-	115	117	127
2025	4,925	31	6	4,962	4,925	52	(29)	4,948	7.7%	-	106	106	-	5,053	91	(0)	21	21	-	117	-	103
	50,136	4,489	316	54,941	50,136	5,234	(4,057)	51,313		336	3,230	3,566	3	54,882	-				756	756		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,397	2,528	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,654		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	172	-	172	1,989
2007	958	286	9	1,253	958	112	-	1,070	0.6%	42	135	177	0	1,247	(6)	(0)	280	280	-	38	134	2,071
2008	1,072	338	7	1,417	1,072	323	(217)	1,178	10.1%	42	197	239	-	1,417	-	(0)	276	276	8	-	142	2,093
2009	1,197	355	7	1,559	1,197	379	(279)	1,297	10.1%	42	220	262	-	1,559	-	(0)	246	246	28	-	171	2,084
2010	1,333	383	9	1,726	1,333	400	(305)	1,429	10.1%	42	255	297	-	1,726	-	(0)	177	177	58	-	229	2,029
2011	1,483	403	12	1,897	1,483	435	(344)	1,574	10.1%	42	282	324	-	1,897	-	(0)	78	78	80	-	308	1,930
2012	1,646	400	16	2,062	1,646	461	(374)	1,733	10.1%	42	256	298	-	2,031	(31)	(31)	-	(31)	84	-	392	1,804
2013	1,825	388	21	2,234	1,825	463	(379)	1,909	10.1%	42	174	216	-	2,125	(109)	(140)	-	(140)	79	-	471	1,652
2014	2,022	365	25	2,412	2,022	454	(373)	2,103	10.1%	-	169	169	-	2,272	(139)	(280)	-	(280)	105	-	575	1,479
2015	2,238	340	30	2,608	2,238	435	(357)	2,316	10.1%	-	165	165	-	2,481	(127)	(407)	-	(407)	88	-	663	1,282
2016	2,475	310	35	2,820	2,475	413	(337)	2,551	10.1%	-	160	160	-	2,711	(109)	(516)	-	(516)	67	-	730	1,070
2017	2,736	276	38	3,050	2,736	383	(310)	2,809	10.1%	-	156	156	-	2,965	(85)	(601)	-	(601)	42	-	772	852
2018	2,956	237	41	3,234	2,956	348	(210)	3,094	10.1%	-	151	151	-	3,245	11	(590)	-	(590)	-	49	722	663
2019	3,193	194	38	3,425	3,193	303	(170)	3,326	7.5%	-	147	147	-	3,473	48	(542)	-	(542)	-	79	643	506
2020	3,450	151	34	3,635	3,450	250	(141)	3,560	7.0%	-	142	142	-	3,703	68	(474)	-	(474)	-	92	551	384
2021	3,728	113	29	3,870	3,728	198	(111)	3,815	7.1%	-	139	139	-	3,953	84	(390)	-	(390)	-	102	449	293
2022	4,028	83	24	4,134	4,028	150	(84)	4,094	7.3%	-	135	135	-	4,229	95	(296)	-	(296)	-	108	341	227
2023	4,352	61	18	4,431	4,352	111	(62)	4,401	7.5%	-	132	132	-	4,533	101	(194)	-	(194)	-	111	230	178
2024	4,703	46	12	4,760	4,703	81	(45)	4,738	7.7%	-	129	129	-	4,867	107	(88)	-	(88)	-	114	116	142
2025	5,081	35	6	5,122	5,081	57	(32)	5,106	7.8%	-	103	103	-	5,210	88	(0)	23	23	-	116	-	115
	51,415	4,986	410	56,811	51,415	5,880	(4,129)	53,166		336	3,248	3,584	3	56,752	-				810	810		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,488	2,550	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,646		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	214	-	214	2,198
2007	958	286	11	1,255	958	113	-	1,071	0.7%	42	137	179	0	1,249	(6)	(0)	281	281	-	32	182	2,315
2008	1,077	372	10	1,458	1,077	325	(215)	1,187	10.9%	42	229	271	-	1,458	-	(0)	247	247	39	-	222	2,341
2009	1,206	392	12	1,610	1,206	422	(312)	1,316	10.9%	42	252	294	-	1,610	-	(0)	186	186	58	-	280	2,331
2010	1,348	428	15	1,791	1,348	448	(336)	1,459	10.9%	42	290	332	-	1,791	-	(0)	85	85	88	-	368	2,265
2011	1,503	452	19	1,975	1,503	492	(378)	1,618	10.9%	42	269	311	-	1,929	(46)	(46)	-	(46)	108	-	476	2,149
2012	1,673	448	25	2,146	1,673	525	(404)	1,794	10.9%	42	180	222	-	2,016	(130)	(176)	-	(176)	101	-	577	2,004
2013	1,860	433	30	2,324	1,860	526	(397)	1,989	10.9%	42	175	217	-	2,206	(117)	(294)	-	(294)	83	-	660	1,832
2014	2,065	406	35	2,506	2,065	515	(375)	2,205	10.9%	-	171	171	-	2,376	(130)	(424)	-	(424)	91	-	751	1,639
2015	2,291	378	39	2,708	2,291	490	(336)	2,445	10.9%	-	166	166	-	2,611	(97)	(521)	-	(521)	53	-	804	1,419
2016	2,539	344	42	2,925	2,539	462	(291)	2,710	10.9%	-	161	161	-	2,872	(53)	(574)	-	(574)	6	-	810	1,183
2017	2,812	305	43	3,160	2,812	425	(239)	2,998	10.6%	-	157	157	-	3,155	(5)	(579)	-	(579)	-	43	767	943
2018	3,039	263	40	3,342	3,039	380	(213)	3,206	6.9%	-	152	152	-	3,357	15	(563)	-	(563)	-	57	710	733
2019	3,285	214	37	3,536	3,285	330	(185)	3,429	7.0%	-	147	147	-	3,576	40	(523)	-	(523)	-	75	635	560
2020	3,550	167	33	3,750	3,550	273	(153)	3,670	7.0%	-	143	143	-	3,813	62	(461)	-	(461)	-	89	546	425
2021	3,837	124	29	3,990	3,837	215	(121)	3,931	7.1%	-	139	139	-	4,070	80	(380)	-	(380)	-	100	445	324
2022	4,147	91	23	4,262	4,147	163	(91)	4,219	7.3%	-	136	136	-	4,354	92	(288)	-	(288)	-	107	338	251
2023	4,483	68	18	4,568	4,483	120	(67)	4,535	7.5%	-	132	132	-	4,668	99	(189)	-	(189)	-	110	228	197
2024	4,845	51	12	4,908	4,845	88	(49)	4,884	7.7%	-	129	129	-	5,013	105	(84)	-	(84)	-	113	115	157
2025	5,237	38	6	5,282	5,237	62	(35)	5,265	7.8%	-	101	101	-	5,366	84	0	25	25	-	115	-	127
	52,694	5,484	479	58,657	52,694	6,497	(4,198)	54,993		336	3,265	3,601	3	58,597	-				842	842		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,124	2,455	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,667		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	43	-	43	1,343
2007	958	233	2	1,193	958	108	-	1,066	0.2%	42	79	121	0	1,187	(6)	0	332	332	-	43	-	1,348
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	0	398	398	-	-	-	1,316
2009	1,226	242	-	1,468	1,226	258	(230)	1,255	8.5%	42	171	213	-	1,468	-	0	416	416	-	-	-	1,239
2010	1,376	248	-	1,624	1,376	266	(281)	1,361	8.5%	42	221	263	-	1,624	-	0	380	380	-	-	-	1,113
2011	1,538	248	-	1,786	1,538	273	(335)	1,476	8.5%	42	268	310	-	1,786	-	0	294	294	-	-	-	949
2012	1,714	236	-	1,950	1,714	273	(386)	1,601	8.5%	42	307	349	-	1,950	-	0	162	162	-	-	-	765
2013	1,849	209	-	2,059	1,849	259	(372)	1,737	8.5%	42	280	322	-	2,059	-	0	48	48	72	-	72	598
2014	1,996	174	4	2,173	1,996	234	(346)	1,884	8.5%	-	209	209	-	2,093	(80)	(80)	-	(80)	100	-	171	458
2015	2,153	136	9	2,298	2,153	201	(310)	2,044	8.5%	-	157	157	-	2,201	(97)	(177)	-	(177)	75	-	247	348
2016	2,323	102	13	2,439	2,323	164	(270)	2,217	8.5%	-	153	153	-	2,370	(68)	(245)	-	(245)	52	-	298	265
2017	2,507	75	16	2,598	2,507	130	(231)	2,405	8.5%	-	149	149	-	2,555	(44)	(289)	-	(289)	31	-	330	205
2018	2,706	55	17	2,778	2,706	102	(198)	2,609	8.5%	-	146	146	-	2,755	(23)	(312)	-	(312)	15	-	344	161
2019	2,920	41	18	2,979	2,920	81	(170)	2,830	8.5%	-	143	143	-	2,973	(6)	(318)	-	(318)	-	0	344	129
2020	3,151	32	18	3,201	3,151	65	(146)	3,070	8.5%	-	139	139	-	3,210	9	(309)	-	(309)	-	14	330	104
2021	3,400	24	17	3,442	3,400	54	(124)	3,330	8.5%	-	136	136	-	3,467	25	(284)	-	(284)	-	29	301	85
2022	3,670	19	16	3,705	3,670	44	(101)	3,613	8.5%	-	134	134	-	3,746	42	(243)	-	(243)	-	44	257	70
2023	3,960	15	13	3,989	3,960	36	(78)	3,919	8.5%	-	131	131	-	4,050	61	(182)	-	(182)	-	63	194	58
2024	4,274	12	10	4,297	4,274	28	(51)	4,251	8.5%	-	128	128	-	4,379	82	(100)	-	(100)	-	84	110	49
2025	4,613	10	6	4,629	4,613	20	(21)	4,611	8.5%	-	117	117	-	4,729	100	0	8	8	-	110	0	41
	48,361	2,570	160	51,091	48,361	2,978	(3,836)	47,503		336	3,191	3,527	3	51,032	-				387	387		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,242	2,471	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,669		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	86	-	86	1,557
2007	958	267	4	1,229	958	110	-	1,067	0.3%	42	114	156	0	1,223	(6)	(0)	299	299	-	72	14	1,564
2008	1,096	269	1	1,365	1,096	294	(227)	1,163	9.0%	42	160	202	-	1,365	-	(0)	328	328	-	14	-	1,528
2009	1,243	278	-	1,521	1,243	295	(271)	1,268	9.0%	42	211	253	-	1,521	-	(0)	302	302	-	-	-	1,440
2010	1,402	289	-	1,691	1,402	305	(326)	1,381	9.0%	42	268	310	-	1,691	-	(0)	216	216	42	-	42	1,292
2011	1,575	290	2	1,867	1,575	320	(389)	1,505	9.0%	42	319	361	-	1,867	-	(0)	73	73	105	-	147	1,100
2012	1,763	274	8	2,044	1,763	327	(449)	1,641	9.0%	42	245	287	-	1,927	(117)	(117)	-	(117)	147	-	294	885
2013	1,903	243	15	2,161	1,903	318	(433)	1,788	9.0%	42	167	209	-	1,996	(165)	(282)	-	(282)	126	-	420	691
2014	2,054	201	22	2,277	2,054	292	(397)	1,948	9.0%	-	162	162	-	2,110	(167)	(448)	-	(448)	134	-	554	530
2015	2,217	157	29	2,403	2,217	253	(347)	2,123	9.0%	-	157	157	-	2,281	(123)	(571)	-	(571)	97	-	651	402
2016	2,393	118	34	2,545	2,393	211	(290)	2,314	9.0%	-	153	153	-	2,467	(78)	(649)	-	(649)	59	-	710	307
2017	2,583	87	37	2,708	2,583	171	(233)	2,522	9.0%	-	150	150	-	2,671	(36)	(685)	-	(685)	22	-	733	237
2018	2,789	64	38	2,892	2,789	138	(179)	2,748	9.0%	-	146	146	-	2,894	2	(683)	-	(683)	-	13	720	186
2019	3,011	48	38	3,096	3,011	112	(128)	2,995	9.0%	-	143	143	-	3,138	41	(642)	-	(642)	-	49	671	149
2020	3,251	37	35	3,322	3,251	91	(78)	3,264	9.0%	-	140	140	-	3,403	81	(561)	-	(561)	-	87	585	120
2021	3,510	28	31	3,568	3,510	74	(42)	3,542	8.5%	-	137	137	-	3,679	110	(450)	-	(450)	-	114	470	98
2022	3,789	22	25	3,836	3,789	58	(33)	3,815	7.7%	-	134	134	-	3,948	112	(338)	-	(338)	-	116	355	81
2023	4,091	18	19	4,127	4,091	45	(25)	4,111	7.8%	-	131	131	-	4,242	114	(224)	-	(224)	-	117	238	67
2024	4,417	14	12	4,444	4,417	33	(19)	4,432	7.8%	-	128	128	-	4,560	116	(108)	-	(108)	-	118	119	57
2025	4,769	12	6	4,787	4,769	23	(13)	4,779	7.8%	-	116	116	-	4,895	108	(0)	10	10	-	119	0	48
	49,751	2,937	357	53,046	49,751	3,595	(3,878)	49,469		336	3,179	3,515	3	52,987	-				818	818		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,348	2,493	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,668		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	128	-	128	1,769
2007	958	286	7	1,251	958	111	-	1,068	0.4%	42	134	176	0	1,245	(6)	(0)	280	280	-	50	78	1,790
2008	1,104	303	4	1,411	1,104	319	(252)	1,172	9.7%	42	197	239	-	1,411	-	(0)	273	273	-	1	77	1,751
2009	1,260	314	4	1,579	1,260	337	(313)	1,285	9.7%	42	252	294	-	1,579	-	(0)	208	208	45	-	122	1,650
2010	1,429	331	6	1,766	1,429	353	(373)	1,409	9.7%	42	315	357	-	1,766	-	(0)	75	75	98	-	221	1,480
2011	1,612	334	12	1,957	1,612	376	(443)	1,545	9.7%	42	253	295	-	1,840	(118)	(118)	-	(118)	148	-	369	1,257
2012	1,811	314	19	2,144	1,811	389	(506)	1,694	9.7%	42	173	215	-	1,909	(236)	(353)	-	(353)	187	-	556	1,011
2013	1,956	278	29	2,263	1,956	377	(476)	1,857	9.7%	42	168	210	-	2,067	(196)	(549)	-	(549)	152	-	707	789
2014	2,112	229	37	2,378	2,112	347	(422)	2,037	9.7%	-	163	163	-	2,199	(179)	(728)	-	(728)	142	-	849	605
2015	2,280	180	45	2,505	2,280	301	(348)	2,234	9.7%	-	158	158	-	2,391	(113)	(841)	-	(841)	84	-	933	459
2016	2,463	135	49	2,646	2,463	252	(265)	2,449	9.7%	-	154	154	-	2,603	(43)	(885)	-	(885)	22	-	955	350
2017	2,660	99	50	2,809	2,660	203	(177)	2,686	9.7%	-	150	150	-	2,836	27	(858)	-	(858)	-	43	912	271
2018	2,872	74	48	2,994	2,872	162	(91)	2,943	9.6%	-	146	146	-	3,089	96	(762)	-	(762)	-	107	805	213
2019	3,102	54	42	3,199	3,102	127	(72)	3,158	7.3%	-	143	143	-	3,301	102	(660)	-	(660)	-	111	694	170
2020	3,350	42	36	3,428	3,350	100	(56)	3,394	7.5%	-	140	140	-	3,534	106	(554)	-	(554)	-	112	582	137
2021	3,619	32	31	3,681	3,619	79	(45)	3,653	7.6%	-	137	137	-	3,790	109	(446)	-	(446)	-	114	468	112
2022	3,908	26	25	3,959	3,908	62	(35)	3,936	7.7%	-	134	134	-	4,070	111	(335)	-	(335)	-	115	353	93
2023	4,222	20	19	4,261	4,222	49	(27)	4,243	7.8%	-	131	131	-	4,374	113	(221)	-	(221)	-	116	237	77
2024	4,560	16	12	4,589	4,560	36	(20)	4,576	7.8%	-	128	128	-	4,704	115	(106)	-	(106)	-	118	119	65
2025	4,925	13	6	4,945	4,925	25	(14)	4,936	7.9%	-	115	115	-	5,051	106	(0)	11	11	-	119	0	55
	51,142	3,303	481	54,926	51,142	4,131	(3,935)	51,338		336	3,190	3,526	3	54,867	-				1,006	1,006		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,442	2,509	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,654		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	170	-	170	1,977
2007	958	286	9	1,253	958	112	-	1,069	0.5%	42	135	177	0	1,247	(6)	(0)	280	280	-	44	126	2,031
2008	1,112	337	7	1,456	1,112	322	(253)	1,182	10.5%	42	232	274	-	1,456	-	(0)	241	241	31	-	157	1,988
2009	1,277	352	8	1,638	1,277	380	(351)	1,306	10.5%	42	290	332	-	1,638	-	(0)	140	140	79	-	235	1,876
2010	1,456	375	12	1,843	1,456	401	(413)	1,443	10.5%	42	324	366	-	1,809	(33)	(33)	-	(33)	134	-	370	1,681
2011	1,649	381	19	2,049	1,649	434	(488)	1,595	10.5%	42	179	221	-	1,816	(233)	(267)	-	(267)	182	-	552	1,425
2012	1,859	357	29	2,246	1,859	451	(549)	1,762	10.5%	42	174	216	-	1,978	(267)	(534)	-	(534)	211	-	763	1,146
2013	2,009	316	40	2,365	2,009	437	(498)	1,947	10.5%	42	169	211	-	2,158	(207)	(741)	-	(741)	156	-	920	893
2014	2,170	259	48	2,478	2,170	401	(419)	2,152	10.5%	-	163	163	-	2,315	(162)	(904)	-	(904)	121	-	1,041	684
2015	2,344	204	55	2,602	2,344	346	(312)	2,378	10.5%	-	159	159	-	2,536	(66)	(970)	-	(970)	33	-	1,074	519
2016	2,532	152	56	2,741	2,532	286	(191)	2,627	10.5%	-	154	154	-	2,782	41	(929)	-	(929)	-	65	1,008	396
2017	2,736	112	53	2,900	2,736	226	(127)	2,835	7.9%	-	150	150	-	2,985	85	(845)	-	(845)	-	103	906	307
2018	2,956	83	48	3,087	2,956	175	(98)	3,033	7.0%	-	147	147	-	3,179	92	(752)	-	(752)	-	106	800	240
2019	3,193	62	42	3,297	3,193	138	(77)	3,254	7.3%	-	143	143	-	3,397	100	(652)	-	(652)	-	110	691	192
2020	3,450	47	36	3,533	3,450	108	(60)	3,498	7.5%	-	140	140	-	3,637	104	(548)	-	(548)	-	111	579	155
2021	3,728	36	30	3,795	3,728	85	(48)	3,765	7.7%	-	137	137	-	3,902	107	(441)	-	(441)	-	113	466	127
2022	4,028	29	24	4,081	4,028	67	(38)	4,057	7.8%	-	134	134	-	4,191	110	(331)	-	(331)	-	114	352	105
2023	4,352	23	18	4,394	4,352	52	(29)	4,375	7.8%	-	131	131	-	4,506	112	(218)	-	(218)	-	116	236	87
2024	4,703	19	12	4,734	4,703	39	(22)	4,720	7.9%	-	128	128	-	4,848	114	(104)	-	(104)	-	117	119	73
2025	5,081	15	6	5,103	5,081	27	(15)	5,093	7.9%	-	113	113	-	5,207	104	0	12	12	-	119	0	62
	52,532	3,669	555	56,755	52,532	4,611	(3,989)	53,154		336	3,204	3,540	3	56,696	-				1,117	1,117		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 11.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,532	2,524	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,635		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	211	-	211	2,185
2007	958	286	11	1,255	958	113	-	1,070	0.6%	42	137	179	0	1,249	(6)	0	281	281	-	38	174	2,272
2008	1,121	371	9	1,501	1,121	325	(252)	1,193	11.5%	42	266	308	-	1,501	-	0	210	210	62	-	235	2,225
2009	1,295	389	12	1,696	1,295	422	(386)	1,331	11.5%	42	324	366	-	1,696	-	0	77	77	108	-	343	2,101
2010	1,482	419	18	1,919	1,482	448	(447)	1,483	11.5%	42	263	305	-	1,788	(130)	(130)	-	(130)	163	-	507	1,882
2011	1,686	429	27	2,141	1,686	490	(522)	1,654	11.5%	42	181	223	-	1,877	(264)	(394)	-	(394)	207	-	713	1,594
2012	1,908	401	37	2,346	1,908	513	(577)	1,844	11.5%	42	175	217	-	2,061	(285)	(679)	-	(679)	222	-	935	1,280
2013	2,062	354	49	2,464	2,062	495	(501)	2,055	11.5%	42	170	212	-	2,267	(197)	(877)	-	(877)	141	-	1,076	998
2014	2,228	290	57	2,574	2,228	451	(388)	2,291	11.5%	-	164	164	-	2,456	(118)	(995)	-	(995)	72	-	1,148	764
2015	2,408	228	60	2,696	2,408	385	(238)	2,555	11.5%	-	159	159	-	2,714	18	(977)	-	(977)	-	55	1,093	580
2016	2,602	170	57	2,829	2,602	314	(176)	2,739	7.2%	-	155	155	-	2,894	65	(912)	-	(912)	-	92	1,001	443
2017	2,812	125	53	2,989	2,812	245	(137)	2,919	6.6%	-	151	151	-	3,070	81	(831)	-	(831)	-	101	900	343
2018	3,039	93	47	3,180	3,039	189	(106)	3,122	6.9%	-	147	147	-	3,269	89	(742)	-	(742)	-	104	796	268
2019	3,285	69	42	3,395	3,285	149	(83)	3,350	7.3%	-	143	143	-	3,493	98	(644)	-	(644)	-	109	687	214
2020	3,550	52	36	3,638	3,550	116	(65)	3,601	7.5%	-	140	140	-	3,741	103	(542)	-	(542)	-	111	576	173
2021	3,837	40	30	3,908	3,837	91	(51)	3,877	7.7%	-	137	137	-	4,014	106	(435)	-	(435)	-	112	464	142
2022	4,147	32	24	4,204	4,147	71	(40)	4,179	7.8%	-	134	134	-	4,313	109	(327)	-	(327)	-	114	350	117
2023	4,483	26	18	4,527	4,483	56	(31)	4,507	7.9%	-	131	131	-	4,638	111	(216)	-	(216)	-	115	235	97
2024	4,845	21	12	4,879	4,845	42	(24)	4,864	7.9%	-	128	128	-	4,992	114	(102)	-	(102)	-	117	118	81
2025	5,237	17	6	5,261	5,237	30	(17)	5,251	7.9%	-	112	112	-	5,363	102	(0)	14	14	-	118	0	69
	53,922	4,034	607	58,564	53,922	5,067	(4,041)	54,949		336	3,217	3,553	3	58,505	-				1,186	1,186		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,143	2,462	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,690	2025 Ending Surplus / (Deficit)			7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	45	-	45	1,352
2007	958	233	2	1,193	958	109	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,337
2008	1,030	235	-	1,264	1,030	256	(144)	1,142	7.1%	42	81	123	-	1,264	-	(0)	441	441	-	-	-	1,289
2009	1,365	242	-	1,607	1,365	258	(383)	1,241	8.6%	42	324	366	-	1,607	-	(0)	307	307	-	-	-	1,113
2010	1,473	247	-	1,720	1,473	266	(391)	1,348	8.6%	42	330	372	-	1,720	-	(0)	159	159	26	-	26	924
2011	1,589	241	1	1,831	1,589	274	(398)	1,464	8.6%	42	325	367	-	1,831	-	(0)	8	8	113	-	139	734
2012	1,714	214	7	1,936	1,714	273	(396)	1,591	8.6%	42	176	218	-	1,809	(127)	(127)	-	(127)	100	-	239	561
2013	1,849	171	13	2,033	1,849	250	(371)	1,728	8.6%	42	164	206	-	1,934	(98)	(225)	-	(225)	71	-	310	422
2014	1,996	124	16	2,136	1,996	205	(324)	1,877	8.6%	-	160	160	-	2,037	(99)	(324)	-	(324)	79	-	388	322
2015	2,153	91	20	2,265	2,153	159	(272)	2,040	8.6%	-	156	156	-	2,195	(70)	(394)	-	(394)	55	-	443	249
2016	2,323	67	23	2,414	2,323	126	(234)	2,216	8.6%	-	152	152	-	2,368	(46)	(440)	-	(440)	36	-	479	196
2017	2,507	52	25	2,584	2,507	102	(202)	2,407	8.6%	-	149	149	-	2,556	(28)	(468)	-	(468)	20	-	499	154
2018	2,706	38	26	2,770	2,706	86	(176)	2,615	8.6%	-	145	145	-	2,761	(9)	(478)	-	(478)	4	-	503	125
2019	2,920	29	26	2,975	2,920	71	(150)	2,841	8.6%	-	142	142	-	2,983	8	(469)	-	(469)	-	13	490	102
2020	3,151	24	26	3,200	3,151	60	(125)	3,087	8.6%	-	139	139	-	3,226	26	(444)	-	(444)	-	29	460	84
2021	3,400	18	24	3,443	3,400	52	(100)	3,353	8.6%	-	136	136	-	3,490	47	(397)	-	(397)	-	49	411	70
2022	3,670	15	22	3,706	3,670	44	(71)	3,643	8.6%	-	134	134	-	3,776	70	(327)	-	(327)	-	73	338	59
2023	3,960	12	18	3,991	3,960	36	(39)	3,958	8.6%	-	131	131	-	4,088	98	(229)	-	(229)	-	100	239	49
2024	4,274	10	13	4,297	4,274	28	(15)	4,286	8.3%	-	128	128	-	4,414	117	(112)	-	(112)	-	119	120	41
2025	4,613	8	6	4,628	4,613	18	(10)	4,621	7.8%	-	118	118	-	4,740	112	(0)	7	7	-	120	0	35
	48,590	2,295	269	51,154	48,590	2,798	(3,799)	47,588		336	3,168	3,504	3	51,095	-				547	547		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,257	2,475	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,684		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	88	-	88	1,568
2007	958	267	5	1,229	958	110	-	1,067	0.4%	42	114	156	0	1,223	(6)	(0)	299	299	-	76	11	1,551
2008	1,030	269	1	1,299	1,030	294	(165)	1,158	8.5%	42	98	140	-	1,299	-	(0)	389	389	-	11	-	1,497
2009	1,402	278	-	1,680	1,402	296	(434)	1,263	9.1%	42	375	417	-	1,680	-	(0)	203	203	56	-	56	1,295
2010	1,513	287	3	1,803	1,513	309	(444)	1,378	9.1%	42	383	425	-	1,803	(1)	(1)	-	(1)	160	-	216	1,075
2011	1,633	281	11	1,925	1,633	329	(459)	1,503	9.1%	42	175	217	-	1,720	(206)	(206)	-	(206)	161	-	377	853
2012	1,763	249	20	2,032	1,763	331	(454)	1,639	9.1%	42	170	212	-	1,851	(181)	(388)	-	(388)	141	-	518	652
2013	1,903	199	27	2,128	1,903	304	(419)	1,788	9.1%	42	165	207	-	1,994	(134)	(521)	-	(521)	102	-	620	491
2014	2,054	144	33	2,230	2,054	254	(358)	1,950	9.1%	-	160	160	-	2,110	(120)	(641)	-	(641)	97	-	716	375
2015	2,217	106	38	2,361	2,217	200	(290)	2,126	9.1%	-	156	156	-	2,283	(78)	(720)	-	(720)	61	-	778	290
2016	2,393	78	41	2,512	2,393	162	(236)	2,319	9.1%	-	152	152	-	2,472	(41)	(761)	-	(761)	28	-	806	227
2017	2,583	60	42	2,686	2,583	133	(187)	2,529	9.1%	-	149	149	-	2,678	(8)	(768)	-	(768)	-	2	804	180
2018	2,789	45	42	2,876	2,789	113	(143)	2,759	9.1%	-	146	146	-	2,904	28	(740)	-	(740)	-	35	769	145
2019	3,011	34	40	3,085	3,011	94	(96)	3,009	9.1%	-	142	142	-	3,151	66	(674)	-	(674)	-	71	698	118
2020	3,251	27	37	3,315	3,251	78	(47)	3,281	9.1%	-	139	139	-	3,421	106	(568)	-	(568)	-	110	587	97
2021	3,510	21	31	3,562	3,510	64	(36)	3,538	7.8%	-	136	136	-	3,674	112	(455)	-	(455)	-	116	472	81
2022	3,789	17	25	3,831	3,789	51	(28)	3,811	7.7%	-	134	134	-	3,945	114	(342)	-	(342)	-	116	355	68
2023	4,091	15	19	4,124	4,091	40	(22)	4,108	7.8%	-	131	131	-	4,239	115	(227)	-	(227)	-	117	238	57
2024	4,417	12	13	4,442	4,417	30	(17)	4,430	7.8%	-	128	128	-	4,558	117	(110)	-	(110)	-	118	120	48
2025	4,769	10	6	4,785	4,769	20	(11)	4,778	7.9%	-	117	117	-	4,895	110	0	8	8	-	120	0	41
	50,012	2,622	432	53,067	50,012	3,333	(3,846)	49,500		336	3,170	3,506	3	53,008	-				894	894		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,361	2,487	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,671		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	130	-	130	1,781
2007	958	286	7	1,251	958	111	-	1,068	0.5%	42	134	176	0	1,245	(6)	(0)	280	280	-	55	75	1,776
2008	1,030	303	4	1,336	1,030	319	(179)	1,170	9.5%	42	125	167	-	1,336	-	(0)	345	345	-	75	-	1,716
2009	1,439	315	-	1,754	1,439	333	(488)	1,284	9.8%	42	428	470	-	1,754	-	(0)	104	104	193	-	193	1,488
2010	1,553	329	10	1,893	1,553	358	(502)	1,409	9.8%	42	285	327	-	1,736	(157)	(157)	-	(157)	210	-	404	1,236
2011	1,677	324	21	2,022	1,677	386	(516)	1,546	9.8%	42	176	218	-	1,764	(258)	(415)	-	(415)	207	-	611	980
2012	1,811	286	32	2,129	1,811	392	(505)	1,697	9.8%	42	171	213	-	1,910	(220)	(634)	-	(634)	173	-	784	749
2013	1,956	228	41	2,225	1,956	360	(453)	1,863	9.8%	42	165	207	-	2,071	(154)	(789)	-	(789)	117	-	901	564
2014	2,112	165	47	2,324	2,112	303	(370)	2,045	9.8%	-	161	161	-	2,206	(118)	(907)	-	(907)	92	-	993	431
2015	2,280	123	52	2,455	2,280	239	(275)	2,244	9.8%	-	157	157	-	2,401	(54)	(961)	-	(961)	34	-	1,027	332
2016	2,463	90	54	2,607	2,463	194	(193)	2,463	9.8%	-	153	153	-	2,616	9	(952)	-	(952)	-	24	1,004	261
2017	2,660	69	53	2,781	2,660	157	(113)	2,704	9.8%	-	149	149	-	2,853	72	(880)	-	(880)	-	83	921	206
2018	2,872	52	48	2,972	2,872	129	(72)	2,929	8.3%	-	146	146	-	3,075	102	(777)	-	(777)	-	111	810	166
2019	3,102	39	43	3,184	3,102	104	(58)	3,148	7.5%	-	143	143	-	3,290	106	(671)	-	(671)	-	113	698	136
2020	3,350	31	37	3,418	3,350	83	(47)	3,387	7.6%	-	140	140	-	3,526	108	(563)	-	(563)	-	113	585	112
2021	3,619	24	31	3,674	3,619	68	(38)	3,649	7.7%	-	137	137	-	3,785	111	(451)	-	(451)	-	115	470	93
2022	3,908	20	25	3,953	3,908	54	(30)	3,932	7.8%	-	134	134	-	4,066	113	(339)	-	(339)	-	116	354	78
2023	4,222	17	19	4,257	4,222	42	(24)	4,240	7.8%	-	131	131	-	4,371	114	(224)	-	(224)	-	117	237	65
2024	4,560	14	12	4,586	4,560	32	(18)	4,574	7.9%	-	128	128	-	4,702	116	(109)	-	(109)	-	118	119	55
2025	4,925	11	6	4,943	4,925	22	(12)	4,935	7.9%	-	116	116	-	5,051	109	0	9	9	-	119	0	46
	51,435	2,949	542	54,926	51,435	3,811	(3,895)	51,351		336	3,177	3,513	3	54,867	-				1,158	1,158		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,457	2,501	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,656		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	172	-	172	1,990
2007	958	286	9	1,253	958	112	-	1,070	0.6%	42	135	177	0	1,247	(6)	(0)	280	280	-	50	123	2,015
2008	1,030	337	6	1,373	1,030	322	(181)	1,171	9.5%	42	160	202	-	1,373	-	(0)	312	312	-	45	78	1,950
2009	1,476	353	4	1,832	1,476	375	(552)	1,299	10.9%	42	491	533	-	1,832	-	(0)	9	9	252	-	330	1,695
2010	1,594	373	17	1,985	1,594	407	(560)	1,441	10.9%	42	192	234	-	1,675	(310)	(310)	-	(310)	262	-	592	1,411
2011	1,721	370	31	2,123	1,721	445	(568)	1,598	10.9%	42	177	219	-	1,818	(305)	(615)	-	(615)	247	-	838	1,118
2012	1,859	327	44	2,230	1,859	456	(542)	1,773	10.9%	42	172	214	-	1,987	(243)	(858)	-	(858)	191	-	1,029	854
2013	2,009	260	54	2,323	2,009	419	(460)	1,967	10.9%	42	166	208	-	2,175	(148)	(1,006)	-	(1,006)	106	-	1,135	643
2014	2,170	188	60	2,417	2,170	352	(340)	2,182	10.9%	-	161	161	-	2,343	(74)	(1,080)	-	(1,080)	44	-	1,179	491
2015	2,344	140	62	2,546	2,344	275	(199)	2,420	10.9%	-	157	157	-	2,577	31	(1,049)	-	(1,049)	-	54	1,125	379
2016	2,532	103	59	2,694	2,532	219	(123)	2,628	8.6%	-	153	153	-	2,782	87	(962)	-	(962)	-	104	1,021	297
2017	2,736	78	54	2,868	2,736	172	(97)	2,811	7.0%	-	149	149	-	2,961	93	(869)	-	(869)	-	105	916	235
2018	2,956	59	48	3,063	2,956	139	(78)	3,017	7.3%	-	146	146	-	3,163	100	(769)	-	(769)	-	109	807	188
2019	3,193	44	42	3,280	3,193	111	(63)	3,242	7.5%	-	143	143	-	3,385	105	(664)	-	(664)	-	112	695	154
2020	3,450	35	36	3,522	3,450	89	(50)	3,489	7.6%	-	140	140	-	3,629	107	(557)	-	(557)	-	112	582	127
2021	3,728	28	31	3,786	3,728	72	(41)	3,760	7.7%	-	137	137	-	3,896	110	(447)	-	(447)	-	114	468	106
2022	4,028	23	25	4,075	4,028	57	(32)	4,053	7.8%	-	134	134	-	4,187	112	(335)	-	(335)	-	115	353	89
2023	4,352	19	19	4,390	4,352	45	(25)	4,372	7.9%	-	131	131	-	4,503	113	(222)	-	(222)	-	116	237	74
2024	4,703	16	12	4,731	4,703	35	(20)	4,718	7.9%	-	128	128	-	4,846	115	(107)	-	(107)	-	118	119	62
2025	5,081	13	6	5,100	5,081	24	(14)	5,092	7.9%	-	115	115	-	5,207	107	(0)	10	10	-	119	0	52
	52,858	3,276	619	56,753	52,858	4,252	(3,944)	53,166		336	3,189	3,525	3	56,694	-				1,273	1,273		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 12.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,547	2,512	59	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,633		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	214	-	214	2,199
2007	958	286	11	1,255	958	113	-	1,071	0.7%	42	137	179	0	1,249	(6)	(0)	281	281	-	44	170	2,254
2008	1,030	372	9	1,410	1,030	325	(182)	1,172	9.5%	42	196	238	-	1,410	-	(0)	279	279	-	12	158	2,183
2009	1,512	390	8	1,911	1,512	418	(612)	1,318	12.4%	42	469	511	-	1,829	(81)	(81)	-	(81)	304	-	462	1,902
2010	1,634	417	24	2,076	1,634	455	(608)	1,482	12.4%	42	185	227	-	1,709	(367)	(448)	-	(448)	303	-	765	1,585
2011	1,766	416	40	2,222	1,766	503	(602)	1,666	12.4%	42	179	221	-	1,887	(335)	(784)	-	(784)	269	-	1,035	1,256
2012	1,908	367	54	2,329	1,908	518	(552)	1,874	12.4%	42	173	215	-	2,089	(241)	(1,024)	-	(1,024)	181	-	1,216	960
2013	2,062	293	64	2,418	2,062	474	(428)	2,107	12.4%	42	167	209	-	2,316	(102)	(1,126)	-	(1,126)	54	-	1,270	722
2014	2,228	211	67	2,506	2,228	395	(254)	2,369	12.4%	-	162	162	-	2,531	26	(1,100)	-	(1,100)	-	60	1,211	552
2015	2,408	158	64	2,629	2,408	302	(170)	2,540	7.2%	-	158	158	-	2,698	69	(1,031)	-	(1,031)	-	94	1,116	425
2016	2,602	116	59	2,776	2,602	238	(134)	2,706	6.5%	-	153	153	-	2,860	84	(948)	-	(948)	-	102	1,014	333
2017	2,812	88	53	2,953	2,812	186	(104)	2,894	6.9%	-	150	150	-	3,043	90	(858)	-	(858)	-	104	911	263
2018	3,039	66	48	3,153	3,039	149	(84)	3,105	7.3%	-	146	146	-	3,251	98	(760)	-	(760)	-	108	803	211
2019	3,285	50	42	3,377	3,285	119	(67)	3,337	7.5%	-	143	143	-	3,480	103	(657)	-	(657)	-	111	692	172
2020	3,550	39	36	3,626	3,550	95	(53)	3,592	7.6%	-	140	140	-	3,732	106	(551)	-	(551)	-	112	580	142
2021	3,837	31	30	3,898	3,837	77	(43)	3,871	7.8%	-	137	137	-	4,008	109	(442)	-	(442)	-	114	466	119
2022	4,147	25	24	4,197	4,147	61	(34)	4,174	7.8%	-	134	134	-	4,308	111	(332)	-	(332)	-	115	351	99
2023	4,483	22	18	4,523	4,483	48	(27)	4,504	7.9%	-	131	131	-	4,635	112	(219)	-	(219)	-	116	236	83
2024	4,845	18	12	4,876	4,845	37	(21)	4,862	7.9%	-	128	128	-	4,990	114	(105)	-	(105)	-	117	119	69
2025	5,237	14	6	5,258	5,237	27	(15)	5,249	8.0%	-	114	114	-	5,363	105	(0)	12	12	-	119	0	59
	54,281	3,602	671	58,555	54,281	4,665	(3,991)	54,956		336	3,201	3,537	3	58,495	-				1,327	1,327		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,121	2,454	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,664		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	43	-	43	1,344
2007	958	233	2	1,193	958	109	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	43	-	1,362
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	(0)	398	398	-	-	-	1,341
2009	1,170	242	-	1,412	1,170	258	(174)	1,255	8.5%	42	116	158	-	1,412	-	(0)	471	471	-	-	-	1,305
2010	1,376	251	-	1,626	1,376	266	(281)	1,361	8.5%	42	223	265	-	1,626	-	(0)	436	436	-	-	-	1,188
2011	1,482	254	-	1,737	1,482	276	(282)	1,476	8.5%	42	218	260	-	1,737	-	(0)	401	401	-	-	-	1,050
2012	1,714	247	-	1,961	1,714	280	(393)	1,601	8.5%	42	318	360	-	1,961	-	(0)	261	261	-	-	-	859
2013	1,849	227	-	2,076	1,849	272	(385)	1,737	8.5%	42	297	339	-	2,076	-	(0)	134	134	2	-	2	679
2014	1,996	195	0	2,190	1,996	250	(361)	1,884	8.5%	-	296	296	-	2,180	(10)	(10)	-	(10)	113	-	115	523
2015	2,153	156	6	2,315	2,153	221	(330)	2,044	8.5%	-	157	157	-	2,201	(114)	(124)	-	(124)	89	-	204	397
2016	2,323	119	11	2,454	2,323	183	(289)	2,217	8.5%	-	153	153	-	2,370	(83)	(207)	-	(207)	64	-	267	300
2017	2,507	87	14	2,608	2,507	147	(249)	2,405	8.5%	-	149	149	-	2,555	(53)	(261)	-	(261)	39	-	307	230
2018	2,706	64	16	2,786	2,706	113	(210)	2,609	8.5%	-	146	146	-	2,755	(31)	(292)	-	(292)	21	-	328	179
2019	2,920	47	17	2,984	2,920	89	(179)	2,830	8.5%	-	143	143	-	2,973	(11)	(303)	-	(303)	4	-	331	142
2020	3,151	36	17	3,204	3,151	71	(152)	3,070	8.5%	-	140	140	-	3,209	5	(298)	-	(298)	-	11	321	114
2021	3,400	28	17	3,445	3,400	58	(128)	3,330	8.5%	-	137	137	-	3,466	22	(276)	-	(276)	-	26	294	92
2022	3,670	21	15	3,706	3,670	47	(105)	3,612	8.5%	-	134	134	-	3,746	39	(237)	-	(237)	-	43	252	76
2023	3,960	17	13	3,991	3,960	38	(80)	3,918	8.5%	-	131	131	-	4,049	59	(178)	-	(178)	-	61	191	63
2024	4,274	13	10	4,298	4,274	30	(54)	4,250	8.5%	-	128	128	-	4,378	81	(97)	-	(97)	-	83	108	53
2025	4,613	11	6	4,630	4,613	21	(24)	4,610	8.5%	-	117	117	-	4,727	97	(0)	9	9	-	108	-	44
	48,249	2,705	145	51,100	48,249	3,109	(3,862)	47,496		336	3,205	3,541	3	51,040	-				374	374		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,236	2,469	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,663		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	86	-	86	1,559
2007	958	267	5	1,229	958	110	-	1,067	0.3%	42	114	156	0	1,223	(6)	(0)	299	299	-	69	17	1,579
2008	1,096	269	1	1,365	1,096	294	(227)	1,163	9.0%	42	160	202	-	1,365	-	(0)	327	327	-	17	-	1,557
2009	1,179	278	-	1,457	1,179	296	(207)	1,267	9.0%	42	148	190	-	1,457	-	(0)	365	365	-	-	-	1,514
2010	1,402	291	-	1,694	1,402	306	(328)	1,381	9.0%	42	270	312	-	1,694	-	(0)	279	279	-	-	-	1,378
2011	1,511	297	-	1,808	1,511	320	(327)	1,505	9.0%	42	261	303	-	1,808	-	(0)	195	195	48	-	48	1,215
2012	1,763	287	3	2,052	1,763	329	(452)	1,640	9.0%	42	367	409	-	2,049	(3)	(3)	-	(3)	153	-	201	993
2013	1,903	263	11	2,176	1,903	327	(443)	1,787	9.0%	42	167	209	-	1,997	(179)	(182)	-	(182)	138	-	339	785
2014	2,054	225	18	2,296	2,054	309	(415)	1,947	9.0%	-	163	163	-	2,110	(186)	(368)	-	(368)	150	-	489	604
2015	2,217	180	26	2,423	2,217	276	(370)	2,122	9.0%	-	158	158	-	2,280	(143)	(511)	-	(511)	113	-	603	458
2016	2,393	138	32	2,563	2,393	233	(313)	2,313	9.0%	-	154	154	-	2,466	(96)	(607)	-	(607)	74	-	676	346
2017	2,583	100	36	2,719	2,583	191	(254)	2,520	9.0%	-	150	150	-	2,670	(49)	(656)	-	(656)	33	-	709	266
2018	2,789	74	37	2,900	2,789	151	(194)	2,746	9.0%	-	146	146	-	2,892	(8)	(664)	-	(664)	-	4	706	207
2019	3,011	54	37	3,102	3,011	122	(141)	2,992	9.0%	-	143	143	-	3,135	33	(631)	-	(631)	-	42	664	164
2020	3,251	41	35	3,327	3,251	98	(88)	3,261	9.0%	-	140	140	-	3,401	74	(557)	-	(557)	-	80	583	131
2021	3,510	32	31	3,572	3,510	79	(44)	3,544	8.7%	-	137	137	-	3,681	109	(448)	-	(448)	-	114	469	107
2022	3,789	25	25	3,838	3,789	62	(35)	3,816	7.7%	-	134	134	-	3,950	112	(336)	-	(336)	-	116	354	88
2023	4,091	20	19	4,129	4,091	48	(27)	4,112	7.7%	-	131	131	-	4,243	114	(223)	-	(223)	-	117	237	73
2024	4,417	16	12	4,445	4,417	35	(20)	4,433	7.8%	-	128	128	-	4,561	116	(107)	-	(107)	-	118	119	61
2025	4,769	13	6	4,788	4,769	24	(13)	4,780	7.8%	-	115	115	-	4,895	107	(0)	10	10	-	119	-	51
	49,624	3,091	331	53,045	49,624	3,734	(3,897)	49,461		336	3,186	3,522	3	52,986	-				795	795		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,341	2,492	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,663		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	128	-	128	1,771
2007	958	286	7	1,251	958	111	-	1,068	0.4%	42	134	176	0	1,245	(6)	(0)	280	280	-	47	82	1,808
2008	1,104	303	4	1,411	1,104	320	(252)	1,171	9.6%	42	198	240	-	1,411	-	(0)	273	273	2	-	84	1,783
2009	1,188	315	4	1,508	1,188	338	(242)	1,284	9.6%	42	182	224	-	1,508	-	(0)	278	278	-	15	68	1,734
2010	1,429	334	4	1,766	1,429	351	(372)	1,408	9.6%	42	316	358	-	1,766	-	(0)	146	146	101	-	170	1,576
2011	1,541	342	9	1,891	1,541	377	(373)	1,544	9.6%	42	305	347	-	1,891	-	(0)	19	19	89	-	258	1,387
2012	1,811	329	14	2,153	1,811	391	(509)	1,693	9.6%	42	193	235	-	1,927	(226)	(226)	-	(226)	194	-	453	1,133
2013	1,956	301	24	2,280	1,956	388	(488)	1,856	9.6%	42	169	211	-	2,066	(214)	(440)	-	(440)	166	-	619	894
2014	2,112	256	32	2,400	2,112	367	(444)	2,034	9.6%	-	163	163	-	2,198	(203)	(642)	-	(642)	161	-	780	688
2015	2,280	206	41	2,527	2,280	327	(377)	2,231	9.6%	-	159	159	-	2,389	(138)	(780)	-	(780)	104	-	885	522
2016	2,463	157	46	2,666	2,463	277	(294)	2,446	9.6%	-	154	154	-	2,600	(66)	(847)	-	(847)	41	-	925	395
2017	2,660	114	49	2,822	2,660	226	(204)	2,681	9.6%	-	150	150	-	2,831	9	(837)	-	(837)	-	28	898	303
2018	2,872	85	47	3,004	2,872	177	(110)	2,940	9.6%	-	147	147	-	3,086	82	(755)	-	(755)	-	95	802	235
2019	3,102	62	42	3,206	3,102	140	(78)	3,163	7.6%	-	143	143	-	3,307	101	(655)	-	(655)	-	110	692	187
2020	3,350	47	36	3,434	3,350	108	(61)	3,398	7.4%	-	140	140	-	3,538	104	(551)	-	(551)	-	111	581	150
2021	3,619	36	30	3,685	3,619	85	(48)	3,656	7.6%	-	137	137	-	3,793	108	(443)	-	(443)	-	113	467	122
2022	3,908	28	25	3,961	3,908	67	(37)	3,938	7.7%	-	134	134	-	4,072	111	(332)	-	(332)	-	115	352	100
2023	4,222	22	19	4,263	4,222	51	(29)	4,244	7.8%	-	131	131	-	4,375	113	(220)	-	(220)	-	116	236	83
2024	4,560	18	12	4,590	4,560	38	(22)	4,577	7.8%	-	128	128	-	4,705	115	(105)	-	(105)	-	118	119	69
2025	4,925	14	6	4,946	4,925	26	(15)	4,937	7.9%	-	114	114	-	5,051	105	0	12	12	-	119	-	58
	50,998	3,476	451	54,926	50,998	4,288	(3,954)	51,331		336	3,197	3,533	3	54,867	-				987	987		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,435	2,511	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,651		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	170	-	170	1,979
2007	958	286	9	1,253	958	112	-	1,069	0.5%	42	135	177	0	1,247	(6)	(0)	280	280	-	40	130	2,050
2008	1,112	337	7	1,456	1,112	322	(253)	1,181	10.5%	42	233	275	-	1,456	-	(0)	240	240	35	-	165	2,024
2009	1,197	353	9	1,559	1,197	380	(273)	1,305	10.5%	42	212	254	-	1,559	-	(0)	217	217	12	-	177	1,969
2010	1,456	378	9	1,843	1,456	398	(413)	1,441	10.5%	42	360	402	-	1,843	-	(0)	43	43	138	-	315	1,788
2011	1,570	390	17	1,976	1,570	434	(412)	1,592	10.5%	42	223	265	-	1,857	(119)	(119)	-	(119)	118	-	433	1,570
2012	1,859	374	23	2,256	1,859	454	(555)	1,758	10.5%	42	175	217	-	1,976	(280)	(399)	-	(399)	222	-	655	1,280
2013	2,009	341	34	2,384	2,009	449	(515)	1,942	10.5%	42	170	212	-	2,154	(230)	(629)	-	(629)	176	-	831	1,010
2014	2,170	289	44	2,503	2,170	423	(448)	2,145	10.5%	-	164	164	-	2,310	(193)	(822)	-	(822)	147	-	978	777
2015	2,344	232	51	2,628	2,344	375	(349)	2,370	10.5%	-	159	159	-	2,529	(99)	(921)	-	(921)	61	-	1,039	589
2016	2,532	177	55	2,764	2,532	316	(231)	2,617	10.5%	-	155	155	-	2,772	8	(913)	-	(913)	-	37	1,002	446
2017	2,736	128	53	2,917	2,736	253	(142)	2,847	8.8%	-	151	151	-	2,997	81	(833)	-	(833)	-	101	901	343
2018	2,956	96	47	3,099	2,956	193	(108)	3,040	6.8%	-	147	147	-	3,187	88	(744)	-	(744)	-	104	797	266
2019	3,193	70	42	3,305	3,193	152	(85)	3,260	7.2%	-	143	143	-	3,403	98	(646)	-	(646)	-	109	688	211
2020	3,450	53	36	3,539	3,450	116	(65)	3,501	7.4%	-	140	140	-	3,641	102	(544)	-	(544)	-	110	578	169
2021	3,728	41	30	3,799	3,728	92	(51)	3,768	7.6%	-	137	137	-	3,905	106	(438)	-	(438)	-	112	465	138
2022	4,028	32	24	4,084	4,028	72	(40)	4,059	7.7%	-	134	134	-	4,193	109	(328)	-	(328)	-	114	351	113
2023	4,352	26	18	4,396	4,352	55	(31)	4,376	7.8%	-	131	131	-	4,508	111	(217)	-	(217)	-	115	236	94
2024	4,703	20	12	4,735	4,703	42	(23)	4,721	7.9%	-	128	128	-	4,849	114	(103)	-	(103)	-	117	118	78
2025	5,081	16	6	5,104	5,081	29	(16)	5,094	7.9%	-	113	113	-	5,207	103	0	13	13	-	118	-	66
	52,373	3,861	527	56,760	52,373	4,790	(4,011)	53,152		336	3,211	3,547	3	56,701	-				1,079	1,079		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 11.4%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,526	2,527	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,633		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	212	-	212	2,187
2007	958	286	11	1,255	958	113	-	1,071	0.6%	42	137	179	0	1,249	(6)	(0)	281	281	-	34	178	2,293
2008	1,121	371	9	1,501	1,121	325	(253)	1,193	11.4%	42	267	309	-	1,501	-	(0)	209	209	66	-	244	2,264
2009	1,206	390	13	1,609	1,206	423	(300)	1,329	11.4%	42	239	281	-	1,609	-	(0)	161	161	36	-	280	2,204
2010	1,482	422	15	1,919	1,482	445	(447)	1,480	11.4%	42	348	390	-	1,870	(49)	(49)	-	(49)	169	-	449	2,000
2011	1,599	438	24	2,060	1,599	490	(440)	1,649	11.4%	42	182	224	-	1,873	(187)	(236)	-	(236)	138	-	587	1,753
2012	1,908	419	31	2,357	1,908	516	(587)	1,837	11.4%	42	177	219	-	2,055	(302)	(538)	-	(538)	237	-	824	1,428
2013	2,062	381	43	2,486	2,062	508	(524)	2,046	11.4%	42	171	213	-	2,259	(227)	(765)	-	(765)	167	-	991	1,126
2014	2,228	323	52	2,603	2,228	476	(425)	2,279	11.4%	-	165	165	-	2,445	(158)	(923)	-	(923)	106	-	1,097	866
2015	2,408	259	58	2,724	2,408	418	(287)	2,539	11.4%	-	160	160	-	2,699	(25)	(948)	-	(948)	-	17	1,079	657
2016	2,602	197	57	2,856	2,602	347	(195)	2,754	8.5%	-	155	155	-	2,910	54	(894)	-	(894)	-	86	994	497
2017	2,812	143	52	3,007	2,812	274	(154)	2,932	6.5%	-	151	151	-	3,083	77	(818)	-	(818)	-	100	894	382
2018	3,039	107	47	3,193	3,039	209	(117)	3,131	6.8%	-	147	147	-	3,278	85	(733)	-	(733)	-	102	792	296
2019	3,285	78	42	3,404	3,285	164	(92)	3,356	7.2%	-	144	144	-	3,500	96	(637)	-	(637)	-	108	684	235
2020	3,550	59	36	3,645	3,550	125	(70)	3,605	7.4%	-	140	140	-	3,745	100	(537)	-	(537)	-	110	575	189
2021	3,837	45	30	3,912	3,837	98	(55)	3,880	7.6%	-	137	137	-	4,017	105	(432)	-	(432)	-	112	463	154
2022	4,147	35	24	4,207	4,147	76	(43)	4,181	7.8%	-	134	134	-	4,315	108	(324)	-	(324)	-	113	349	126
2023	4,483	29	18	4,530	4,483	59	(33)	4,509	7.8%	-	131	131	-	4,640	110	(214)	-	(214)	-	115	235	104
2024	4,845	23	12	4,880	4,845	45	(25)	4,865	7.9%	-	129	129	-	4,994	113	(101)	-	(101)	-	117	118	87
2025	5,237	18	6	5,262	5,237	32	(18)	5,251	7.9%	-	111	111	-	5,362	101	(0)	15	15	-	118	-	73
	53,747	4,246	580	58,573	53,747	5,269	(4,066)	54,950		336	3,225	3,561	3	58,513	-				1,130	1,130		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Mcare assessment.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,128	2,457	59	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,671		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	39	-	39	1,325
2007	958	233	2	1,193	958	108	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	(262)	1,157	8.5%	42	198	240	-	1,396	-	(0)	324	324	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	(255)	1,255	8.5%	42	194	236	-	1,491	-	(0)	315	315	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	(250)	1,361	8.5%	42	186	228	-	1,589	-	(0)	311	311	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	(377)	1,476	8.5%	42	304	346	-	1,823	-	(0)	185	185	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	(370)	1,601	8.5%	42	286	328	-	1,930	-	(0)	69	69	66	-	66	678
2013	1,849	188	3	2,041	1,849	241	(353)	1,737	8.5%	42	234	276	-	2,013	(28)	(28)	-	(28)	67	-	133	527
2014	1,996	155	7	2,158	1,996	214	(325)	1,885	8.5%	-	160	160	-	2,045	(113)	(140)	-	(140)	88	-	221	402
2015	2,153	119	12	2,284	2,153	184	(293)	2,044	8.5%	-	156	156	-	2,201	(83)	(224)	-	(224)	64	-	285	306
2016	2,323	88	15	2,426	2,323	147	(253)	2,218	8.5%	-	153	153	-	2,370	(56)	(280)	-	(280)	42	-	327	235
2017	2,507	65	17	2,590	2,507	115	(217)	2,406	8.5%	-	149	149	-	2,555	(35)	(314)	-	(314)	25	-	351	183
2018	2,706	48	18	2,772	2,706	92	(188)	2,610	8.5%	-	146	146	-	2,755	(17)	(331)	-	(331)	9	-	360	145
2019	2,920	37	19	2,975	2,920	74	(162)	2,831	8.5%	-	142	142	-	2,973	(2)	(333)	-	(333)	-	4	357	117
2020	3,151	28	19	3,197	3,151	61	(141)	3,071	8.5%	-	139	139	-	3,210	13	(321)	-	(321)	-	17	340	95
2021	3,400	22	18	3,440	3,400	50	(119)	3,331	8.5%	-	136	136	-	3,468	28	(293)	-	(293)	-	31	309	78
2022	3,670	18	16	3,704	3,670	42	(98)	3,614	8.5%	-	134	134	-	3,747	43	(250)	-	(250)	-	46	262	65
2023	3,960	14	14	3,988	3,960	35	(75)	3,920	8.5%	-	131	131	-	4,051	63	(187)	-	(187)	-	65	198	54
2024	4,274	11	10	4,296	4,274	27	(49)	4,252	8.5%	-	128	128	-	4,380	85	(102)	-	(102)	-	86	112	46
2025	4,613	9	6	4,628	4,613	19	(19)	4,613	8.5%	-	118	118	-	4,731	102	(0)	8	8	-	112	0	39
	48,486	2,419	176	51,082	48,486	2,831	(3,807)	47,510		336	3,174	3,510	3	51,022	-				400	400		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,245	2,476	59	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,675	2025 Ending Surplus / (Deficit)			9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	82	-	82	1,537
2007	958	267	4	1,229	958	109	-	1,067	0.3%	42	113	155	0	1,223	(6)	(0)	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	(312)	1,164	9.0%	42	244	286	-	1,450	-	(0)	243	243	39	-	45	1,442
2009	1,273	274	2	1,550	1,273	297	(301)	1,269	9.0%	42	239	281	-	1,550	-	(0)	189	189	32	-	77	1,331
2010	1,371	279	4	1,655	1,371	306	(294)	1,384	9.0%	42	229	271	-	1,655	-	(0)	140	140	22	-	99	1,193
2011	1,633	273	5	1,911	1,633	313	(437)	1,509	9.0%	42	315	357	-	1,866	(45)	(45)	-	(45)	143	-	242	983
2012	1,763	251	13	2,026	1,763	315	(432)	1,645	9.0%	42	171	213	-	1,858	(169)	(214)	-	(214)	129	-	371	786
2013	1,903	218	19	2,140	1,903	297	(406)	1,794	9.0%	42	166	208	-	2,002	(139)	(353)	-	(353)	104	-	475	611
2014	2,054	180	25	2,258	2,054	267	(365)	1,956	9.0%	-	161	161	-	2,117	(141)	(494)	-	(494)	112	-	587	466
2015	2,217	138	31	2,386	2,217	232	(316)	2,133	9.0%	-	157	157	-	2,290	(96)	(590)	-	(590)	74	-	661	354
2016	2,393	102	35	2,529	2,393	190	(258)	2,326	9.0%	-	153	153	-	2,479	(51)	(641)	-	(641)	34	-	695	273
2017	2,583	75	36	2,695	2,583	152	(199)	2,536	9.0%	-	149	149	-	2,685	(10)	(651)	-	(651)	-	2	693	213
2018	2,789	56	36	2,881	2,789	123	(147)	2,765	9.0%	-	146	146	-	2,911	30	(621)	-	(621)	-	39	654	168
2019	3,011	42	34	3,088	3,011	99	(99)	3,011	8.9%	-	143	143	-	3,154	66	(555)	-	(555)	-	72	582	135
2020	3,251	32	31	3,313	3,251	80	(80)	3,251	8.0%	-	140	140	-	3,390	77	(478)	-	(478)	-	82	500	110
2021	3,510	25	26	3,561	3,510	64	(64)	3,510	8.0%	-	137	137	-	3,646	85	(393)	-	(393)	-	89	411	91
2022	3,789	21	22	3,831	3,789	52	(52)	3,789	8.0%	-	134	134	-	3,923	91	(302)	-	(302)	-	95	317	75
2023	4,091	16	17	4,124	4,091	41	(41)	4,091	8.0%	-	131	131	-	4,222	98	(204)	-	(204)	-	100	216	63
2024	4,417	13	11	4,441	4,417	30	(30)	4,417	8.0%	-	128	128	-	4,545	104	(100)	-	(100)	-	106	111	53
2025	4,769	11	6	4,786	4,769	21	(21)	4,769	8.0%	-	117	117	-	4,886	100	(0)	9	9	-	111	-	45
	49,894	2,764	358	53,016	49,894	3,407	(3,854)	49,448		336	3,171	3,507	3	52,957	-				771	771		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,342	2,496	59	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,664		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	123	-	123	1,746
2007	958	286	6	1,250	958	111	-	1,068	0.4%	42	134	176	0	1,245	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	(344)	1,175	10.0%	42	288	330	-	1,506	-	(0)	182	182	80	-	149	1,653
2009	1,294	311	8	1,612	1,294	340	(341)	1,293	10.0%	42	277	319	-	1,612	-	(0)	91	91	66	-	215	1,528
2010	1,394	320	11	1,726	1,394	354	(325)	1,423	10.0%	42	261	303	-	1,726	-	(0)	12	12	47	-	262	1,369
2011	1,677	315	14	2,006	1,677	368	(479)	1,566	10.0%	42	189	231	-	1,797	(209)	(209)	-	(209)	173	-	434	1,126
2012	1,811	288	23	2,122	1,811	372	(460)	1,723	10.0%	42	172	214	-	1,937	(185)	(394)	-	(394)	140	-	574	899
2013	1,956	250	30	2,236	1,956	350	(409)	1,896	10.0%	42	167	209	-	2,105	(131)	(525)	-	(525)	91	-	665	699
2014	2,112	206	35	2,352	2,112	314	(339)	2,087	10.0%	-	162	162	-	2,248	(104)	(629)	-	(629)	71	-	736	533
2015	2,280	158	39	2,477	2,280	269	(269)	2,280	9.3%	-	157	157	-	2,438	(39)	(668)	-	(668)	14	-	750	405
2016	2,463	116	39	2,618	2,463	217	(217)	2,463	8.0%	-	153	153	-	2,616	(2)	(671)	-	(671)	-	17	733	312
2017	2,660	86	38	2,784	2,660	170	(170)	2,660	8.0%	-	150	150	-	2,809	25	(646)	-	(646)	-	39	694	243
2018	2,872	64	36	2,973	2,872	135	(135)	2,872	8.0%	-	146	146	-	3,018	46	(600)	-	(600)	-	56	638	193
2019	3,102	49	34	3,184	3,102	107	(107)	3,102	8.0%	-	143	143	-	3,245	61	(539)	-	(539)	-	68	570	154
2020	3,350	37	30	3,417	3,350	86	(86)	3,350	8.0%	-	140	140	-	3,490	73	(466)	-	(466)	-	79	491	126
2021	3,619	29	26	3,673	3,619	69	(69)	3,619	8.0%	-	137	137	-	3,755	82	(384)	-	(384)	-	86	405	104
2022	3,908	24	21	3,953	3,908	55	(55)	3,908	8.0%	-	134	134	-	4,042	89	(295)	-	(295)	-	93	312	86
2023	4,222	19	16	4,257	4,222	44	(44)	4,222	8.0%	-	131	131	-	4,353	96	(199)	-	(199)	-	99	214	71
2024	4,560	15	11	4,586	4,560	33	(33)	4,560	8.0%	-	128	128	-	4,688	102	(97)	-	(97)	-	104	109	60
2025	4,925	12	6	4,943	4,925	23	(23)	4,925	8.0%	-	115	115	-	5,041	97	(0)	10	10	-	109	0	51
	51,302	3,109	428	54,838	51,302	3,859	(3,904)	51,258		336	3,183	3,519	3	54,779	-				804	804		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 12.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,425	2,509	59	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,635		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	164	-	164	1,951
2007	958	286	9	1,253	958	112	-	1,069	0.5%	42	135	177	0	1,247	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	(343)	1,198	12.0%	42	322	364	-	1,562	-	(0)	151	151	110	-	225	1,880
2009	1,315	348	12	1,674	1,315	382	(355)	1,342	12.0%	42	290	332	-	1,674	-	(0)	49	49	74	-	299	1,740
2010	1,417	363	16	1,796	1,417	400	(313)	1,503	12.0%	42	232	274	-	1,777	(19)	(19)	-	(19)	31	-	330	1,557
2011	1,721	360	17	2,099	1,721	419	(456)	1,684	12.0%	42	178	220	-	1,905	(195)	(214)	-	(214)	139	-	470	1,280
2012	1,859	328	25	2,213	1,859	424	(424)	1,859	10.4%	42	173	215	-	2,074	(138)	(352)	-	(352)	86	-	556	1,021
2013	2,009	285	29	2,323	2,009	393	(393)	2,009	8.0%	42	168	210	-	2,218	(105)	(456)	-	(456)	59	-	615	793
2014	2,170	233	32	2,435	2,170	349	(349)	2,170	8.0%	-	163	163	-	2,332	(103)	(559)	-	(559)	65	-	680	605
2015	2,344	180	36	2,559	2,344	296	(296)	2,344	8.0%	-	158	158	-	2,502	(57)	(616)	-	(616)	28	-	708	459
2016	2,532	132	37	2,701	2,532	239	(239)	2,532	8.0%	-	154	154	-	2,686	(15)	(632)	-	(632)	-	6	702	354
2017	2,736	97	37	2,870	2,736	185	(185)	2,736	8.0%	-	150	150	-	2,886	16	(616)	-	(616)	-	31	671	276
2018	2,956	73	35	3,064	2,956	146	(146)	2,956	8.0%	-	146	146	-	3,102	38	(578)	-	(578)	-	50	621	218
2019	3,193	55	33	3,281	3,193	116	(116)	3,193	8.0%	-	143	143	-	3,336	55	(522)	-	(522)	-	64	557	175
2020	3,450	41	29	3,521	3,450	93	(93)	3,450	8.0%	-	140	140	-	3,590	69	(453)	-	(453)	-	76	482	143
2021	3,728	33	25	3,786	3,728	73	(73)	3,728	8.0%	-	137	137	-	3,865	79	(374)	-	(374)	-	84	398	118
2022	4,028	27	21	4,076	4,028	59	(59)	4,028	8.0%	-	134	134	-	4,162	86	(288)	-	(288)	-	90	308	97
2023	4,352	21	16	4,390	4,352	47	(47)	4,352	8.1%	-	131	131	-	4,483	94	(195)	-	(195)	-	97	211	81
2024	4,703	17	11	4,731	4,703	36	(36)	4,703	8.1%	-	128	128	-	4,831	100	(94)	-	(94)	-	103	108	68
2025	5,081	14	6	5,101	5,081	25	(25)	5,081	8.1%	-	114	114	-	5,195	94	0	12	12	-	108	0	58
	52,711	3,453	432	56,595	52,711	4,239	(3,948)	53,001		336	3,196	3,532	3	56,535	-				757	757		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 17.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,501	2,512	59	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,590		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	206	-	206	2,156
2007	958	286	11	1,255	958	113	-	1,070	0.6%	42	136	178	0	1,249	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	(304)	1,259	17.6%	42	317	359	-	1,617	-	0	158	158	101	-	263	2,106
2009	1,335	385	14	1,734	1,335	422	(278)	1,480	17.6%	42	212	254	-	1,734	-	0	136	136	-	9	254	1,952
2010	1,440	406	13	1,859	1,440	438	(246)	1,632	10.2%	42	185	227	-	1,859	-	0	136	136	-	41	214	1,746
2011	1,766	406	11	2,183	1,766	459	(459)	1,766	8.2%	42	316	358	-	2,123	(59)	(59)	-	(59)	132	-	346	1,434
2012	1,908	369	18	2,295	1,908	466	(466)	1,908	8.1%	42	174	216	-	2,124	(171)	(230)	-	(230)	113	-	459	1,143
2013	2,062	320	24	2,405	2,062	432	(432)	2,062	8.1%	42	169	211	-	2,272	(133)	(363)	-	(363)	82	-	541	887
2014	2,228	261	28	2,517	2,228	383	(383)	2,228	8.1%	-	163	163	-	2,391	(126)	(489)	-	(489)	84	-	624	677
2015	2,408	201	33	2,642	2,408	323	(323)	2,408	8.1%	-	159	159	-	2,566	(75)	(564)	-	(564)	43	-	667	514
2016	2,602	147	35	2,784	2,602	260	(260)	2,602	8.1%	-	154	154	-	2,756	(28)	(592)	-	(592)	5	-	672	395
2017	2,812	109	35	2,956	2,812	201	(201)	2,812	8.1%	-	150	150	-	2,962	6	(586)	-	(586)	-	24	648	309
2018	3,039	82	34	3,155	3,039	157	(157)	3,039	8.1%	-	147	147	-	3,186	31	(555)	-	(555)	-	44	604	244
2019	3,285	62	32	3,378	3,285	125	(125)	3,285	8.1%	-	143	143	-	3,428	50	(506)	-	(506)	-	59	545	195
2020	3,550	46	29	3,625	3,550	99	(99)	3,550	8.1%	-	140	140	-	3,690	65	(440)	-	(440)	-	72	472	160
2021	3,837	36	25	3,898	3,837	78	(78)	3,837	8.1%	-	137	137	-	3,974	76	(365)	-	(365)	-	81	391	132
2022	4,147	30	21	4,198	4,147	63	(63)	4,147	8.1%	-	134	134	-	4,281	84	(281)	-	(281)	-	88	303	109
2023	4,483	24	16	4,523	4,483	50	(50)	4,483	8.1%	-	131	131	-	4,614	91	(190)	-	(190)	-	95	208	91
2024	4,845	19	11	4,876	4,845	38	(38)	4,845	8.1%	-	128	128	-	4,974	98	(92)	-	(92)	-	101	107	76
2025	5,237	16	6	5,259	5,237	27	(27)	5,237	8.1%	-	113	113	-	5,350	92	0	13	13	-	107	0	64
	54,119	3,797	403	58,319	54,119	4,583	(3,989)	54,713		336	3,208	3,544	3	58,259	-				764	764		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Delayed Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,124	2,457	59	(1,378)	412	5	(5)	-	-
	Total Economic Cost:		30,674		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	46	-	46	1,360
2007	958	233	2	1,193	958	109	-	1,066	0.3%	42	79	121	0	1,187	(6)	(0)	332	332	-	46	-	1,401
2008	1,030	236	-	1,265	1,030	256	(144)	1,142	7.1%	42	81	123	-	1,265	-	(0)	440	440	-	-	-	1,429
2009	1,107	245	-	1,352	1,107	259	(145)	1,220	6.9%	42	90	132	-	1,352	-	(0)	541	541	-	-	-	1,440
2010	1,349	259	-	1,608	1,349	270	(290)	1,329	8.9%	42	237	279	-	1,608	-	(0)	496	496	-	-	-	1,370
2011	1,453	272	-	1,724	1,453	285	(291)	1,447	8.9%	42	235	277	-	1,724	-	(0)	446	446	-	-	-	1,264
2012	1,565	276	-	1,841	1,565	299	(288)	1,576	8.9%	42	223	265	-	1,841	-	(0)	403	403	-	-	-	1,131
2013	1,849	266	-	2,115	1,849	303	(437)	1,716	8.9%	42	358	400	-	2,115	-	(0)	221	221	-	-	-	926
2014	1,996	241	-	2,237	1,996	292	(420)	1,868	8.9%	-	369	369	-	2,237	-	(0)	18	18	129	-	129	735
2015	2,153	207	7	2,368	2,153	273	(392)	2,034	8.9%	-	177	177	-	2,211	(157)	(157)	-	(157)	141	-	270	569
2016	2,323	172	14	2,510	2,323	244	(353)	2,215	8.9%	-	155	155	-	2,369	(141)	(297)	-	(297)	113	-	383	429
2017	2,507	132	20	2,659	2,507	211	(307)	2,411	8.9%	-	151	151	-	2,562	(97)	(394)	-	(394)	76	-	459	322
2018	2,706	95	24	2,825	2,706	172	(251)	2,626	8.9%	-	147	147	-	2,772	(53)	(447)	-	(447)	37	-	496	245
2019	2,920	69	26	3,015	2,920	133	(194)	2,859	8.9%	-	143	143	-	3,002	(13)	(460)	-	(460)	2	-	498	189
2020	3,151	51	26	3,228	3,151	105	(143)	3,113	8.9%	-	140	140	-	3,253	25	(434)	-	(434)	-	33	464	149
2021	3,400	39	24	3,464	3,400	83	(93)	3,390	8.9%	-	137	137	-	3,527	63	(372)	-	(372)	-	69	395	118
2022	3,670	29	21	3,719	3,670	66	(66)	3,670	8.3%	-	134	134	-	3,804	84	(288)	-	(288)	-	89	307	95
2023	3,960	22	16	3,999	3,960	50	(50)	3,960	7.9%	-	131	131	-	4,091	93	(195)	-	(195)	-	96	210	78
2024	4,274	18	11	4,303	4,274	37	(37)	4,274	7.9%	-	128	128	-	4,403	99	(95)	-	(95)	-	102	108	65
2025	4,613	14	6	4,633	4,613	26	(26)	4,613	7.9%	-	115	115	-	4,728	95	0	11	11	-	108	0	54
	47,922	3,098	198	51,218	47,922	3,596	(3,926)	47,592		336	3,228	3,564	3	51,159	-				544	544		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,221	2,468	59	(1,567)	470	5	(5)	-	-
	Total Economic Cost:		31,652		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	90	-	90	1,577
2007	958	267	5	1,229	958	110	-	1,067	0.4%	42	114	156	0	1,223	(6)	(0)	299	299	-	63	26	1,625
2008	1,030	270	1	1,300	1,030	295	(165)	1,159	8.6%	42	100	142	-	1,300	-	(0)	389	389	-	26	-	1,657
2009	1,107	282	-	1,389	1,107	296	(166)	1,237	6.7%	42	110	152	-	1,389	-	(0)	467	467	-	-	-	1,669
2010	1,371	301	-	1,672	1,371	310	(326)	1,356	9.6%	42	274	316	-	1,672	-	(0)	381	381	-	-	-	1,586
2011	1,478	317	-	1,794	1,478	331	(322)	1,486	9.6%	42	266	308	-	1,794	-	(0)	296	296	-	-	-	1,460
2012	1,592	320	-	1,911	1,592	348	(311)	1,629	9.6%	42	240	282	-	1,911	-	(0)	230	230	31	-	31	1,304
2013	1,903	307	2	2,212	1,903	353	(470)	1,786	9.6%	42	384	426	-	2,212	-	(0)	16	16	166	-	197	1,066
2014	2,054	278	10	2,342	2,054	349	(446)	1,957	9.6%	-	181	181	-	2,138	(203)	(203)	-	(203)	176	-	373	847
2015	2,217	239	20	2,476	2,217	327	(398)	2,146	9.6%	-	160	160	-	2,305	(170)	(373)	-	(373)	132	-	504	655
2016	2,393	198	26	2,618	2,393	292	(334)	2,352	9.6%	-	155	155	-	2,507	(110)	(484)	-	(484)	78	-	583	494
2017	2,583	152	31	2,766	2,583	252	(257)	2,578	9.6%	-	151	151	-	2,729	(37)	(521)	-	(521)	12	-	595	371
2018	2,789	110	31	2,930	2,789	201	(201)	2,789	8.2%	-	147	147	-	2,936	6	(515)	-	(515)	-	24	571	282
2019	3,011	80	30	3,121	3,011	154	(154)	3,011	8.0%	-	144	144	-	3,154	34	(481)	-	(481)	-	47	524	218
2020	3,251	59	28	3,337	3,251	118	(118)	3,251	8.0%	-	140	140	-	3,391	54	(427)	-	(427)	-	63	461	172
2021	3,510	45	24	3,579	3,510	91	(91)	3,510	8.0%	-	137	137	-	3,647	68	(359)	-	(359)	-	75	386	136
2022	3,789	33	20	3,843	3,789	72	(72)	3,789	8.0%	-	134	134	-	3,923	80	(278)	-	(278)	-	86	300	110
2023	4,091	26	16	4,132	4,091	54	(54)	4,091	8.0%	-	131	131	-	4,222	90	(189)	-	(189)	-	94	207	90
2024	4,417	21	11	4,448	4,417	40	(40)	4,417	8.0%	-	128	128	-	4,545	97	(92)	-	(92)	-	100	107	75
2025	4,769	16	6	4,791	4,769	29	(29)	4,769	8.0%	-	113	113	-	4,882	92	0	13	13	-	107	0	63
	49,250	3,540	260	53,050	49,250	4,147	(3,954)	49,442		336	3,210	3,546	3	52,991	-				684	684		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 11.3%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,310	2,486	59	(1,753)	529	6	(6)	-	-
	Total Economic Cost:		32,631		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	132	-	132	1,791
2007	958	286	7	1,251	958	111	-	1,068	0.5%	42	134	176	0	1,245	(6)	(0)	280	280	-	40	92	1,859
2008	1,030	304	5	1,338	1,030	320	(180)	1,170	9.5%	42	126	168	-	1,338	-	(0)	345	345	-	58	34	1,896
2009	1,107	319	2	1,428	1,107	336	(189)	1,254	7.2%	42	131	173	-	1,428	-	(0)	401	401	-	34	-	1,908
2010	1,394	344	-	1,738	1,394	351	(350)	1,395	11.3%	42	301	343	-	1,738	-	(0)	286	286	76	-	76	1,811
2011	1,502	364	4	1,870	1,502	383	(333)	1,552	11.3%	42	276	318	-	1,870	-	(0)	191	191	66	-	142	1,662
2012	1,619	365	7	1,992	1,619	409	(300)	1,727	11.3%	42	223	265	-	1,992	-	(0)	144	144	11	-	153	1,483
2013	1,956	351	8	2,314	1,956	411	(445)	1,922	11.3%	42	315	357	-	2,279	(35)	(35)	-	(35)	125	-	277	1,211
2014	2,112	316	15	2,442	2,112	402	(402)	2,112	9.9%	-	166	166	-	2,278	(164)	(200)	-	(200)	114	-	392	962
2015	2,280	272	21	2,573	2,280	370	(370)	2,280	8.0%	-	161	161	-	2,441	(132)	(331)	-	(331)	88	-	480	743
2016	2,463	225	25	2,713	2,463	327	(327)	2,463	8.0%	-	156	156	-	2,619	(94)	(425)	-	(425)	57	-	537	561
2017	2,660	172	28	2,860	2,660	278	(278)	2,660	8.0%	-	152	152	-	2,811	(49)	(474)	-	(474)	21	-	558	421
2018	2,872	125	29	3,027	2,872	221	(221)	2,872	8.0%	-	148	148	-	3,020	(7)	(480)	-	(480)	-	14	545	321
2019	3,102	90	29	3,221	3,102	169	(169)	3,102	8.0%	-	144	144	-	3,246	25	(456)	-	(456)	-	39	505	248
2020	3,350	66	27	3,443	3,350	129	(129)	3,350	8.0%	-	140	140	-	3,491	48	(408)	-	(408)	-	58	447	195
2021	3,619	51	23	3,693	3,619	99	(99)	3,619	8.0%	-	137	137	-	3,756	63	(345)	-	(345)	-	71	376	155
2022	3,908	38	20	3,966	3,908	78	(78)	3,908	8.0%	-	134	134	-	4,043	77	(269)	-	(269)	-	82	294	125
2023	4,222	29	15	4,266	4,222	59	(59)	4,222	8.0%	-	131	131	-	4,353	87	(182)	-	(182)	-	91	203	103
2024	4,560	23	11	4,594	4,560	44	(44)	4,560	8.0%	-	129	129	-	4,688	94	(88)	-	(88)	-	98	105	85
2025	4,925	18	6	4,949	4,925	32	(32)	4,925	8.0%	-	112	112	-	5,037	88	0	14	14	-	105	0	71
	50,577	3,982	281	54,840	50,577	4,652	(4,003)	51,226		336	3,216	3,552	3	54,781	-				690	690		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 20.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,388	2,490	59	(1,935)	588	7	(7)	-	-
	Total Economic Cost:		33,590		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	174	-	174	2,001
2007	958	286	9	1,253	958	112	-	1,070	0.6%	42	136	178	0	1,247	(6)	(0)	280	280	-	33	141	2,107
2008	1,030	338	7	1,375	1,030	323	(181)	1,171	9.5%	42	162	204	-	1,375	-	(0)	312	312	-	23	118	2,150
2009	1,107	357	6	1,470	1,107	379	(213)	1,273	8.7%	42	155	197	-	1,470	-	(0)	347	347	-	32	86	2,162
2010	1,417	390	5	1,811	1,417	398	(278)	1,536	20.7%	42	233	275	-	1,811	-	(0)	300	300	24	-	109	2,049
2011	1,527	415	6	1,948	1,527	435	(244)	1,718	11.8%	42	188	230	-	1,948	-	(0)	295	295	-	30	80	1,876
2012	1,646	414	4	2,065	1,646	461	(259)	1,848	7.6%	42	174	216	-	2,065	-	(0)	298	298	-	45	35	1,669
2013	2,009	397	2	2,407	2,009	458	(458)	2,009	8.7%	42	356	398	-	2,407	-	(0)	115	115	122	-	158	1,362
2014	2,170	355	8	2,534	2,170	445	(445)	2,170	8.0%	-	282	282	-	2,452	(82)	(82)	-	(82)	140	-	298	1,081
2015	2,344	306	16	2,666	2,344	408	(408)	2,344	8.0%	-	162	162	-	2,506	(160)	(242)	-	(242)	111	-	409	835
2016	2,532	252	21	2,806	2,532	360	(360)	2,532	8.0%	-	157	157	-	2,689	(117)	(359)	-	(359)	76	-	485	631
2017	2,736	193	25	2,954	2,736	306	(306)	2,736	8.0%	-	152	152	-	2,888	(66)	(425)	-	(425)	35	-	520	474
2018	2,956	140	27	3,123	2,956	242	(242)	2,956	8.0%	-	148	148	-	3,104	(20)	(445)	-	(445)	-	3	517	360
2019	3,193	102	27	3,322	3,193	184	(184)	3,193	8.0%	-	144	144	-	3,338	15	(430)	-	(430)	-	32	485	279
2020	3,450	74	25	3,550	3,450	140	(140)	3,450	8.0%	-	141	141	-	3,591	41	(389)	-	(389)	-	53	433	220
2021	3,728	57	23	3,808	3,728	107	(107)	3,728	8.0%	-	137	137	-	3,865	57	(331)	-	(331)	-	67	366	175
2022	4,028	43	19	4,090	4,028	84	(84)	4,028	8.0%	-	134	134	-	4,162	72	(259)	-	(259)	-	79	287	141
2023	4,352	33	15	4,400	4,352	63	(63)	4,352	8.1%	-	131	131	-	4,484	83	(175)	-	(175)	-	88	199	116
2024	4,703	27	10	4,740	4,703	48	(48)	4,703	8.1%	-	129	129	-	4,831	92	(84)	-	(84)	-	96	103	96
2025	5,081	21	5	5,107	5,081	35	(35)	5,081	8.1%	-	110	110	-	5,191	84	0	16	16	-	103	0	80
	51,905	4,423	263	56,591	51,905	5,113	(4,056)	52,962		336	3,231	3,567	3	56,531	-				683	683		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Delayed Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, NF*
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,263	2,522	290	(2,117)	647	7	(7)	-	-
	Total Economic Cost:		34,605		2025 Ending Surplus / (Deficit)		(505)	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	217	-	217	2,211
2007	958	286	11	1,255	958	113	-	1,071	0.7%	42	137	179	0	1,250	(6)	(0)	281	281	-	26	190	2,355
2008	1,030	372	10	1,412	1,030	326	(183)	1,172	9.5%	42	198	240	-	1,412	-	(0)	279	279	12	-	202	2,403
2009	1,107	395	11	1,512	1,107	421	(237)	1,292	10.2%	42	178	220	-	1,512	-	(0)	292	292	-	11	191	2,417
2010	1,440	435	10	1,885	1,440	445	(250)	1,635	26.6%	42	208	250	-	1,885	-	(0)	273	273	-	7	185	2,287
2011	1,552	465	10	2,027	1,552	489	(275)	1,767	8.1%	42	218	260	-	2,027	-	(0)	239	239	-	6	179	2,089
2012	1,673	464	9	2,146	1,673	522	(293)	1,902	7.7%	42	202	244	-	2,146	-	(0)	216	216	-	24	155	1,856
2013	2,062	442	8	2,512	2,062	519	(519)	2,062	8.4%	42	391	433	-	2,494	(18)	(18)	-	(18)	166	-	320	1,513
2014	2,228	395	17	2,640	2,228	505	(505)	2,228	8.1%	-	168	168	-	2,396	(244)	(262)	-	(262)	181	-	502	1,201
2015	2,408	340	26	2,774	2,408	464	(464)	2,408	8.1%	-	163	163	-	2,570	(204)	(466)	-	(466)	149	-	651	928
2016	2,602	280	34	2,916	2,602	412	(412)	2,602	8.1%	-	157	157	-	2,759	(157)	(622)	-	(622)	111	-	763	700
2017	2,812	214	40	3,066	2,812	352	(352)	2,812	8.1%	-	153	153	-	2,965	(101)	(724)	-	(724)	66	-	829	527
2018	3,039	156	44	3,239	3,039	283	(283)	3,039	8.1%	-	148	148	-	3,187	(51)	(775)	-	(775)	26	-	855	400
2019	3,285	113	45	3,443	3,285	221	(221)	3,285	8.1%	-	144	144	-	3,429	(13)	(788)	-	(788)	-	5	850	310
2020	3,550	82	45	3,677	3,550	173	(173)	3,550	8.1%	-	141	141	-	3,691	14	(774)	-	(774)	-	27	823	244
2021	3,837	63	43	3,944	3,837	138	(138)	3,837	8.1%	-	138	138	-	3,975	31	(743)	-	(743)	-	41	782	194
2022	4,147	47	41	4,236	4,147	115	(115)	4,147	8.1%	-	134	134	-	4,282	46	(697)	-	(697)	-	53	729	157
2023	4,483	37	38	4,558	4,483	94	(94)	4,483	8.1%	-	132	132	-	4,614	57	(641)	-	(641)	-	62	667	129
2024	4,845	30	35	4,910	4,845	79	(79)	4,845	8.1%	-	129	129	-	4,974	64	(577)	-	(577)	-	69	598	106
2025	5,237	23	31	5,292	5,237	67	(67)	5,237	8.1%	-	126	126	-	5,363	72	(505)	-	(505)	-	75	523	89
	53,233	4,864	509	58,605	53,233	5,865	(4,660)	54,437		336	3,265	3,601	3	58,041	(505)				928	405		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits. Premium stabilization does not appear financially feasible under the assumed scenario.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$50K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,095	2,448	59	(1,365)	410	3	(4)	-	-
	Total Economic Cost:		30,648		2025 Ending Surplus / (Deficit)		16	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	45	-	45	1,351
2007	958	233	2	1,193	958	109	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,376
2008	1,059	235	-	1,295	1,059	256	(159)	1,157	8.5%	42	96	138	-	1,295	-	(0)	425	425	-	-	-	1,390
2009	1,170	243	-	1,413	1,170	259	(174)	1,254	8.5%	42	117	159	-	1,413	-	(0)	498	498	-	-	-	1,385
2010	1,290	254	-	1,545	1,290	268	(198)	1,361	8.5%	42	142	184	-	1,545	-	(0)	545	545	-	-	-	1,356
2011	1,422	263	-	1,685	1,422	280	(226)	1,476	8.5%	42	167	209	-	1,685	-	(0)	566	566	-	-	-	1,302
2012	1,565	266	-	1,831	1,565	290	(254)	1,601	8.5%	42	188	230	-	1,831	-	(0)	564	564	-	-	-	1,225
2013	1,721	260	-	1,981	1,721	292	(277)	1,736	8.5%	42	203	245	-	1,981	-	(0)	543	543	-	-	-	1,129
2014	1,892	248	-	2,140	1,892	286	(295)	1,883	8.5%	-	257	257	-	2,140	-	(0)	464	464	-	-	-	1,014
2015	2,079	231	-	2,310	2,079	272	(309)	2,043	8.5%	-	268	268	-	2,310	-	(0)	368	368	-	-	-	881
2016	2,283	213	-	2,496	2,283	255	(322)	2,215	8.5%	-	281	281	-	2,496	-	(0)	252	252	-	-	-	737
2017	2,507	190	-	2,697	2,507	234	(338)	2,403	8.5%	-	294	294	-	2,697	-	(0)	115	115	2	-	2	587
2018	2,706	163	0	2,869	2,706	209	(308)	2,606	8.5%	-	263	263	-	2,869	-	(0)	1	1	88	-	90	456
2019	2,920	134	5	3,058	2,920	185	(278)	2,827	8.5%	-	146	146	-	2,973	(85)	(85)	-	(85)	65	-	155	348
2020	3,151	105	8	3,264	3,151	156	(241)	3,066	8.5%	-	141	141	-	3,207	(56)	(141)	-	(141)	39	-	194	264
2021	3,400	78	10	3,488	3,400	126	(201)	3,326	8.5%	-	138	138	-	3,463	(25)	(166)	-	(166)	12	-	206	201
2022	3,670	57	11	3,737	3,670	98	(160)	3,607	8.5%	-	135	135	-	3,742	4	(162)	-	(162)	-	13	193	155
2023	3,960	42	10	4,012	3,960	74	(122)	3,913	8.5%	-	132	132	-	4,044	32	(130)	-	(130)	-	38	155	122
2024	4,274	31	8	4,314	4,274	55	(86)	4,244	8.5%	-	129	129	-	4,372	59	(72)	-	(72)	-	64	91	97
2025	4,613	24	5	4,642	4,613	40	(50)	4,603	8.5%	-	110	110	-	4,713	72	0	16	16	-	91	0	79
	47,579	3,493	59	51,131	47,579	3,867	(3,997)	47,450		336	3,284	3,620	3	51,072	-				251	251		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,194	2,462	59	(1,552)	469	4	(4)	-	-
	Total Economic Cost:		31,632		2025 Ending Surplus / (Deficit)		18	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,506
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	88	-	88	1,567
2007	958	267	5	1,229	958	110	-	1,067	0.4%	42	114	156	0	1,223	(6)	0	299	299	-	67	20	1,596
2008	1,064	269	1	1,334	1,064	294	(195)	1,163	9.0%	42	129	171	-	1,334	-	0	359	359	-	20	-	1,612
2009	1,179	280	-	1,459	1,179	296	(207)	1,268	9.0%	42	149	191	-	1,459	-	0	397	397	-	-	-	1,606
2010	1,305	296	-	1,600	1,305	308	(231)	1,382	9.0%	42	176	218	-	1,600	-	0	406	406	-	-	-	1,570
2011	1,442	307	-	1,749	1,442	325	(261)	1,506	9.0%	42	201	243	-	1,749	-	0	388	388	-	-	-	1,503
2012	1,592	308	-	1,900	1,592	338	(288)	1,641	9.0%	42	217	259	-	1,900	-	0	349	349	-	-	-	1,412
2013	1,756	301	-	2,057	1,756	339	(306)	1,789	9.0%	42	226	268	-	2,057	-	0	297	297	-	-	-	1,298
2014	1,935	285	-	2,221	1,935	331	(317)	1,950	9.0%	-	271	271	-	2,221	-	0	194	194	39	-	39	1,166
2015	2,132	267	2	2,400	2,132	316	(323)	2,125	9.0%	-	276	276	-	2,400	-	0	81	81	82	-	122	1,012
2016	2,347	244	6	2,598	2,347	300	(332)	2,316	9.0%	-	239	239	-	2,555	(43)	(43)	-	(43)	91	-	212	846
2017	2,583	218	11	2,813	2,583	281	(340)	2,524	9.0%	-	154	154	-	2,678	(135)	(178)	-	(178)	100	-	313	674
2018	2,789	187	16	2,993	2,789	258	(296)	2,751	9.0%	-	150	150	-	2,900	(92)	(270)	-	(270)	63	-	375	524
2019	3,011	153	20	3,184	3,011	228	(241)	2,998	9.0%	-	145	145	-	3,144	(41)	(311)	-	(311)	16	-	391	400
2020	3,251	120	21	3,391	3,251	191	(191)	3,251	8.4%	-	142	142	-	3,392	1	(310)	-	(310)	-	21	370	303
2021	3,510	89	19	3,618	3,510	153	(153)	3,510	8.0%	-	138	138	-	3,648	29	(280)	-	(280)	-	44	327	231
2022	3,789	65	17	3,872	3,789	117	(117)	3,789	8.0%	-	135	135	-	3,924	52	(228)	-	(228)	-	63	264	178
2023	4,091	48	14	4,153	4,091	87	(87)	4,091	8.0%	-	132	132	-	4,223	70	(159)	-	(159)	-	77	187	140
2024	4,417	36	10	4,463	4,417	64	(64)	4,417	8.0%	-	129	129	-	4,546	83	(76)	-	(76)	-	89	98	112
2025	4,769	27	5	4,802	4,769	45	(45)	4,769	8.0%	-	108	108	-	4,877	76	(0)	18	18	-	98	0	90
	48,858	3,991	147	52,996	48,858	4,507	(3,995)	49,370		336	3,228	3,564	3	52,937	-				479	479		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,283	2,487	59	(1,737)	528	4	(4)	-	-
	Total Economic Cost:		32,621		2025 Ending Surplus / (Deficit)		21	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	130	-	130	1,780
2007	958	286	7	1,251	958	111	-	1,068	0.5%	42	134	176	0	1,245	(6)	(0)	280	280	-	45	86	1,826
2008	1,068	303	4	1,376	1,068	320	(214)	1,174	9.8%	42	160	202	-	1,376	-	(0)	311	311	-	27	58	1,845
2009	1,188	317	3	1,508	1,188	337	(236)	1,289	9.8%	42	177	219	-	1,508	-	(0)	321	321	-	12	46	1,838
2010	1,319	338	2	1,660	1,319	351	(254)	1,416	9.8%	42	202	244	-	1,660	-	(0)	303	303	9	-	55	1,793
2011	1,462	353	3	1,818	1,462	375	(283)	1,555	9.8%	42	221	263	-	1,818	-	(0)	263	263	24	-	80	1,711
2012	1,619	353	4	1,976	1,619	393	(304)	1,708	9.8%	42	225	267	-	1,976	-	(0)	214	214	27	-	107	1,604
2013	1,791	343	6	2,140	1,791	394	(308)	1,876	9.8%	42	221	263	-	2,140	-	(0)	165	165	22	-	130	1,472
2014	1,979	324	7	2,310	1,979	385	(303)	2,061	9.8%	-	249	249	-	2,310	-	(0)	84	84	50	-	180	1,320
2015	2,185	303	9	2,497	2,185	367	(288)	2,264	9.8%	-	233	233	-	2,497	-	(0)	15	15	34	-	214	1,145
2016	2,411	277	11	2,699	2,411	345	(270)	2,487	9.8%	-	174	174	-	2,661	(38)	(38)	-	(38)	15	-	230	956
2017	2,660	247	12	2,918	2,660	318	(318)	2,660	7.0%	-	155	155	-	2,814	(104)	(142)	-	(142)	65	-	295	762
2018	2,872	212	15	3,100	2,872	288	(288)	2,872	8.0%	-	150	150	-	3,023	(77)	(220)	-	(220)	43	-	338	592
2019	3,102	173	18	3,293	3,102	253	(253)	3,102	8.0%	-	146	146	-	3,248	(45)	(265)	-	(265)	17	-	355	452
2020	3,350	135	19	3,504	3,350	211	(211)	3,350	8.0%	-	142	142	-	3,492	(12)	(277)	-	(277)	-	10	345	343
2021	3,619	101	18	3,738	3,619	169	(169)	3,619	8.0%	-	138	138	-	3,757	19	(257)	-	(257)	-	36	310	261
2022	3,908	74	16	3,999	3,908	129	(129)	3,908	8.0%	-	135	135	-	4,044	45	(212)	-	(212)	-	57	253	202
2023	4,222	55	13	4,290	4,222	96	(96)	4,222	8.0%	-	132	132	-	4,353	64	(148)	-	(148)	-	73	180	159
2024	4,560	41	9	4,610	4,560	71	(71)	4,560	8.0%	-	129	129	-	4,689	79	(70)	-	(70)	-	85	95	127
2025	4,925	31	5	4,961	4,925	50	(50)	4,925	8.0%	-	106	106	-	5,031	70	0	21	21	-	95	0	103
	50,136	4,489	183	54,808	50,136	5,088	(4,044)	51,181		336	3,230	3,566	3	54,749	-				439	439		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,368	2,511	59	(1,917)	586	5	(5)	-	-
	Total Economic Cost:		33,607		2025 Ending Surplus / (Deficit)		23	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,861
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	172	-	172	1,989
2007	958	286	9	1,253	958	112	-	1,070	0.6%	42	135	177	0	1,247	(6)	(0)	280	280	-	38	134	2,071
2008	1,072	338	7	1,417	1,072	323	(209)	1,185	10.8%	42	189	231	-	1,417	-	(0)	284	284	1	-	135	2,093
2009	1,197	355	7	1,559	1,197	379	(262)	1,314	10.8%	42	203	245	-	1,559	-	(0)	271	271	11	-	146	2,084
2010	1,333	383	8	1,725	1,333	399	(276)	1,456	10.8%	42	226	268	-	1,725	-	(0)	230	230	29	-	175	2,029
2011	1,483	403	9	1,895	1,483	432	(300)	1,614	10.8%	42	238	280	-	1,895	-	(0)	174	174	37	-	212	1,930
2012	1,646	400	11	2,057	1,646	455	(312)	1,789	10.8%	42	226	268	-	2,057	-	(0)	126	126	23	-	235	1,804
2013	1,825	388	12	2,226	1,825	454	(296)	1,983	10.8%	42	201	243	-	2,226	-	(0)	99	99	-	3	231	1,652
2014	2,022	365	12	2,399	2,022	441	(264)	2,198	10.8%	-	201	201	-	2,399	-	(0)	67	67	-	3	228	1,479
2015	2,238	340	12	2,590	2,238	415	(233)	2,420	10.1%	-	170	170	-	2,590	-	(0)	62	62	-	34	194	1,282
2016	2,475	310	10	2,795	2,475	386	(216)	2,644	9.3%	-	151	151	-	2,795	-	(0)	71	71	-	51	143	1,070
2017	2,736	276	8	3,019	2,736	350	(350)	2,736	3.5%	-	227	227	-	2,963	(57)	(57)	-	(57)	84	-	227	852
2018	2,956	237	12	3,205	2,956	317	(317)	2,956	8.0%	-	151	151	-	3,107	(98)	(155)	-	(155)	60	-	288	663
2019	3,193	194	15	3,402	3,193	278	(278)	3,193	8.0%	-	147	147	-	3,340	(62)	(218)	-	(218)	31	-	319	506
2020	3,450	151	17	3,618	3,450	232	(232)	3,450	8.0%	-	142	142	-	3,593	(25)	(243)	-	(243)	1	-	320	384
2021	3,728	113	17	3,857	3,728	184	(184)	3,728	8.0%	-	139	139	-	3,867	9	(233)	-	(233)	-	27	292	293
2022	4,028	83	15	4,126	4,028	141	(141)	4,028	8.0%	-	135	135	-	4,163	37	(196)	-	(196)	-	51	242	227
2023	4,352	61	13	4,426	4,352	105	(105)	4,352	8.1%	-	132	132	-	4,484	58	(138)	-	(138)	-	68	174	178
2024	4,703	46	9	4,757	4,703	77	(77)	4,703	8.1%	-	129	129	-	4,832	74	(64)	-	(64)	-	81	92	142
2025	5,081	35	5	5,121	5,081	56	(56)	5,081	8.1%	-	103	103	-	5,185	64	0	23	23	-	92	0	115
	51,415	4,986	208	56,609	51,415	5,657	(4,108)	52,964		336	3,248	3,584	3	56,550	-				450	450		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$50K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 13.7%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,443	2,504	59	(2,097)	645	5	(5)	-	-
	Total Economic Cost:		34,554		2025 Ending Surplus / (Deficit)		25	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	214	-	214	2,198
2007	958	286	11	1,255	958	113	-	1,071	0.7%	42	137	179	0	1,249	(6)	(0)	281	281	-	32	182	2,315
2008	1,077	372	10	1,458	1,077	325	(184)	1,217	13.7%	42	199	241	-	1,458	-	(0)	277	277	9	-	191	2,341
2009	1,206	392	10	1,608	1,206	420	(242)	1,384	13.7%	42	182	224	-	1,608	-	(0)	287	287	-	12	179	2,331
2010	1,348	428	9	1,785	1,348	442	(248)	1,542	11.4%	42	202	244	-	1,785	-	(0)	273	273	1	-	180	2,265
2011	1,503	452	9	1,965	1,503	481	(270)	1,714	11.2%	42	208	250	-	1,965	-	(0)	249	249	1	-	181	2,149
2012	1,673	448	10	2,131	1,673	508	(285)	1,896	10.6%	42	193	235	-	2,131	-	(0)	236	236	-	16	165	2,004
2013	1,860	433	9	2,302	1,860	502	(282)	2,080	9.7%	42	180	222	-	2,302	-	(0)	232	232	-	30	134	1,832
2014	2,065	406	7	2,478	2,065	484	(272)	2,278	9.5%	-	200	200	-	2,478	-	(0)	202	202	-	9	125	1,639
2015	2,291	378	7	2,675	2,291	454	(255)	2,490	9.3%	-	185	185	-	2,675	-	(0)	183	183	-	25	100	1,419
2016	2,539	344	5	2,888	2,539	421	(237)	2,724	9.4%	-	164	164	-	2,888	-	(0)	181	181	-	44	56	1,183
2017	2,812	305	3	3,120	2,812	381	(381)	2,812	3.2%	-	308	308	-	3,120	-	(0)	29	29	103	-	160	943
2018	3,039	263	8	3,310	3,039	345	(345)	3,039	8.1%	-	181	181	-	3,220	(90)	(90)	-	(90)	77	-	237	733
2019	3,285	214	12	3,512	3,285	303	(303)	3,285	8.1%	-	147	147	-	3,432	(80)	(170)	-	(170)	45	-	282	560
2020	3,550	167	15	3,732	3,550	252	(252)	3,550	8.1%	-	143	143	-	3,693	(39)	(209)	-	(209)	12	-	294	425
2021	3,837	124	15	3,977	3,837	200	(200)	3,837	8.1%	-	139	139	-	3,976	(1)	(210)	-	(210)	-	19	275	324
2022	4,147	91	14	4,253	4,147	153	(153)	4,147	8.1%	-	136	136	-	4,283	30	(180)	-	(180)	-	44	230	251
2023	4,483	68	12	4,563	4,483	114	(114)	4,483	8.1%	-	132	132	-	4,615	52	(128)	-	(128)	-	63	167	197
2024	4,845	51	9	4,905	4,845	84	(84)	4,845	8.1%	-	129	129	-	4,975	70	(58)	-	(58)	-	78	89	157
2025	5,237	38	5	5,280	5,237	61	(61)	5,237	8.1%	-	101	101	-	5,338	58	0	25	25	-	89	0	127
	52,694	5,484	181	58,358	52,694	6,169	(4,168)	54,695		336	3,265	3,601	3	58,299	-				462	462		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	$100K Increases - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,124	2,455	59	(1,382)	409	2	(2)	-	-
	Total Economic Cost:		30,667		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,322
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	43	-	43	1,343
2007	958	233	2	1,193	958	108	-	1,066	0.2%	42	79	121	0	1,187	(6)	0	332	332	-	43	-	1,348
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	0	398	398	-	-	-	1,316
2009	1,226	242	-	1,468	1,226	258	(230)	1,255	8.5%	42	171	213	-	1,468	-	0	416	416	-	-	-	1,239
2010	1,376	248	-	1,624	1,376	266	(281)	1,361	8.5%	42	221	263	-	1,624	-	0	380	380	-	-	-	1,113
2011	1,538	248	-	1,786	1,538	273	(335)	1,476	8.5%	42	268	310	-	1,786	-	0	294	294	-	-	-	949
2012	1,714	236	-	1,950	1,714	273	(386)	1,601	8.5%	42	307	349	-	1,950	-	0	162	162	-	-	-	765
2013	1,849	209	-	2,059	1,849	259	(372)	1,737	8.5%	42	280	322	-	2,059	-	0	48	48	72	-	72	598
2014	1,996	174	4	2,173	1,996	234	(346)	1,884	8.5%	-	209	209	-	2,093	(80)	(80)	-	(80)	100	-	171	458
2015	2,153	136	9	2,298	2,153	201	(310)	2,044	8.5%	-	157	157	-	2,201	(97)	(177)	-	(177)	75	-	247	348
2016	2,323	102	13	2,439	2,323	164	(270)	2,217	8.5%	-	153	153	-	2,370	(68)	(245)	-	(245)	52	-	298	265
2017	2,507	75	16	2,598	2,507	130	(231)	2,405	8.5%	-	149	149	-	2,555	(44)	(289)	-	(289)	31	-	330	205
2018	2,706	55	17	2,778	2,706	102	(198)	2,609	8.5%	-	146	146	-	2,755	(23)	(312)	-	(312)	15	-	344	161
2019	2,920	41	18	2,979	2,920	81	(170)	2,830	8.5%	-	143	143	-	2,973	(6)	(318)	-	(318)	-	0	344	129
2020	3,151	32	18	3,201	3,151	65	(146)	3,070	8.5%	-	139	139	-	3,210	9	(309)	-	(309)	-	14	330	104
2021	3,400	24	17	3,442	3,400	54	(124)	3,330	8.5%	-	136	136	-	3,467	25	(284)	-	(284)	-	29	301	85
2022	3,670	19	16	3,705	3,670	44	(101)	3,613	8.5%	-	134	134	-	3,746	42	(243)	-	(243)	-	44	257	70
2023	3,960	15	13	3,989	3,960	36	(78)	3,919	8.5%	-	131	131	-	4,050	61	(182)	-	(182)	-	63	194	58
2024	4,274	12	10	4,297	4,274	28	(51)	4,251	8.5%	-	128	128	-	4,379	82	(100)	-	(100)	-	84	110	49
2025	4,613	10	6	4,629	4,613	20	(21)	4,611	8.5%	-	117	117	-	4,729	100	0	8	8	-	110	0	41
	48,361	2,570	160	51,091	48,361	2,978	(3,836)	47,503		336	3,191	3,527	3	51,032	-				387	387		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,238	2,471	59	(1,571)	468	3	(3)	-	-
	Total Economic Cost:		31,664		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,504
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	86	-	86	1,557
2007	958	267	4	1,229	958	110	-	1,067	0.3%	42	114	156	0	1,223	(6)	(0)	299	299	-	72	14	1,564
2008	1,096	269	1	1,365	1,096	294	(226)	1,164	9.0%	42	159	201	-	1,365	-	(0)	328	328	-	14	-	1,528
2009	1,243	278	-	1,521	1,243	295	(270)	1,269	9.0%	42	210	252	-	1,521	-	(0)	304	304	-	-	-	1,440
2010	1,402	289	-	1,691	1,402	305	(324)	1,383	9.0%	42	266	308	-	1,691	-	(0)	220	220	38	-	38	1,292
2011	1,575	290	2	1,867	1,575	320	(386)	1,508	9.0%	42	316	358	-	1,867	-	(0)	80	80	102	-	140	1,100
2012	1,763	274	7	2,044	1,763	327	(445)	1,645	9.0%	42	251	293	-	1,938	(106)	(106)	-	(106)	143	-	283	885
2013	1,903	243	15	2,160	1,903	318	(427)	1,793	9.0%	42	167	209	-	2,002	(159)	(265)	-	(265)	120	-	403	691
2014	2,054	201	21	2,276	2,054	291	(389)	1,955	9.0%	-	162	162	-	2,117	(159)	(424)	-	(424)	127	-	530	530
2015	2,217	157	28	2,402	2,217	252	(337)	2,132	9.0%	-	157	157	-	2,289	(113)	(537)	-	(537)	88	-	617	402
2016	2,393	118	32	2,544	2,393	209	(278)	2,324	9.0%	-	153	153	-	2,477	(66)	(603)	-	(603)	47	-	664	307
2017	2,583	87	35	2,705	2,583	168	(218)	2,534	9.0%	-	150	150	-	2,683	(22)	(625)	-	(625)	8	-	672	237
2018	2,789	64	35	2,889	2,789	134	(161)	2,763	9.0%	-	146	146	-	2,909	20	(604)	-	(604)	-	30	642	186
2019	3,011	48	34	3,092	3,011	108	(108)	3,011	9.0%	-	143	143	-	3,154	61	(543)	-	(543)	-	69	573	149
2020	3,251	37	30	3,317	3,251	86	(86)	3,251	8.0%	-	140	140	-	3,390	73	(470)	-	(470)	-	79	494	120
2021	3,510	28	26	3,564	3,510	69	(69)	3,510	8.0%	-	137	137	-	3,646	82	(388)	-	(388)	-	87	407	98
2022	3,789	22	21	3,833	3,789	55	(55)	3,789	8.0%	-	134	134	-	3,923	90	(298)	-	(298)	-	93	314	81
2023	4,091	18	16	4,125	4,091	43	(43)	4,091	8.0%	-	131	131	-	4,222	97	(201)	-	(201)	-	99	215	67
2024	4,417	14	11	4,443	4,417	32	(32)	4,417	8.0%	-	128	128	-	4,545	103	(99)	-	(99)	-	105	110	57
2025	4,769	12	6	4,787	4,769	22	(22)	4,769	8.0%	-	116	116	-	4,885	99	0	10	10	-	110	0	48
	49,751	2,937	326	53,014	49,751	3,560	(3,875)	49,437		336	3,179	3,515	3	52,955	-				758	758		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,334	2,491	59	(1,758)	526	3	(3)	-	-
	Total Economic Cost:		32,653		2025 Ending Surplus / (Deficit)		11	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	128	-	128	1,769
2007	958	286	7	1,251	958	111	-	1,068	0.4%	42	134	176	0	1,245	(6)	(0)	280	280	-	50	78	1,790
2008	1,104	303	4	1,411	1,104	319	(248)	1,175	10.0%	42	193	235	-	1,411	-	(0)	277	277	-	5	73	1,751
2009	1,260	314	4	1,579	1,260	337	(305)	1,293	10.0%	42	244	286	-	1,579	-	(0)	220	220	37	-	110	1,650
2010	1,429	331	6	1,765	1,429	352	(359)	1,422	10.0%	42	301	343	-	1,765	-	(0)	102	102	84	-	194	1,480
2011	1,612	334	10	1,956	1,612	375	(422)	1,565	10.0%	42	280	322	-	1,886	(70)	(70)	-	(70)	127	-	321	1,257
2012	1,811	314	17	2,142	1,811	386	(476)	1,721	10.0%	42	173	215	-	1,936	(206)	(275)	-	(275)	157	-	478	1,011
2013	1,956	278	25	2,259	1,956	373	(435)	1,894	10.0%	42	168	210	-	2,103	(156)	(431)	-	(431)	111	-	589	789
2014	2,112	229	31	2,372	2,112	340	(369)	2,083	10.0%	-	163	163	-	2,246	(126)	(557)	-	(557)	89	-	678	605
2015	2,280	180	36	2,496	2,280	291	(291)	2,280	9.5%	-	158	158	-	2,438	(58)	(615)	-	(615)	28	-	707	459
2016	2,463	135	37	2,634	2,463	239	(239)	2,463	8.0%	-	154	154	-	2,616	(18)	(633)	-	(633)	-	4	703	350
2017	2,660	99	37	2,795	2,660	189	(189)	2,660	8.0%	-	150	150	-	2,809	14	(619)	-	(619)	-	30	673	271
2018	2,872	74	35	2,981	2,872	148	(148)	2,872	8.0%	-	146	146	-	3,019	37	(582)	-	(582)	-	49	624	213
2019	3,102	54	33	3,189	3,102	117	(117)	3,102	8.0%	-	143	143	-	3,245	56	(526)	-	(526)	-	64	560	170
2020	3,350	42	29	3,421	3,350	92	(92)	3,350	8.0%	-	140	140	-	3,490	69	(457)	-	(457)	-	75	484	137
2021	3,619	32	25	3,676	3,619	74	(74)	3,619	8.0%	-	137	137	-	3,755	79	(378)	-	(378)	-	84	400	112
2022	3,908	26	21	3,955	3,908	59	(59)	3,908	8.0%	-	134	134	-	4,042	87	(291)	-	(291)	-	91	309	93
2023	4,222	20	16	4,258	4,222	46	(46)	4,222	8.0%	-	131	131	-	4,353	94	(196)	-	(196)	-	97	212	77
2024	4,560	16	11	4,587	4,560	35	(35)	4,560	8.0%	-	128	128	-	4,688	101	(96)	-	(96)	-	103	109	65
2025	4,925	13	6	4,944	4,925	24	(24)	4,925	8.0%	-	115	115	-	5,040	96	(0)	11	11	-	109	0	55
	51,142	3,303	390	54,835	51,142	4,031	(3,926)	51,247		336	3,190	3,526	3	54,776	-				762	762		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 11.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,416	2,505	59	(1,941)	585	3	(3)	-	-
	Total Economic Cost:		33,624		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,859
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	170	-	170	1,977
2007	958	286	9	1,253	958	112	-	1,069	0.5%	42	135	177	0	1,247	(6)	(0)	280	280	-	44	126	2,031
2008	1,112	337	7	1,456	1,112	322	(237)	1,197	11.9%	42	217	259	-	1,456	-	(0)	256	256	16	-	142	1,988
2009	1,277	352	7	1,637	1,277	379	(316)	1,340	11.9%	42	255	297	-	1,637	-	(0)	190	190	44	-	185	1,876
2010	1,456	375	10	1,840	1,456	398	(353)	1,500	11.9%	42	298	340	-	1,840	-	(0)	77	77	75	-	260	1,681
2011	1,649	381	14	2,044	1,649	427	(397)	1,679	11.9%	42	256	298	-	1,977	(67)	(67)	-	(67)	92	-	352	1,425
2012	1,859	357	18	2,235	1,859	440	(440)	1,859	10.7%	42	174	216	-	2,076	(160)	(226)	-	(226)	104	-	455	1,146
2013	2,009	316	24	2,348	2,009	419	(419)	2,009	8.0%	42	169	211	-	2,219	(129)	(355)	-	(355)	79	-	534	893
2014	2,170	259	28	2,457	2,170	378	(378)	2,170	8.0%	-	163	163	-	2,333	(124)	(479)	-	(479)	82	-	616	684
2015	2,344	204	32	2,580	2,344	321	(321)	2,344	8.0%	-	159	159	-	2,503	(78)	(557)	-	(557)	45	-	661	519
2016	2,532	152	35	2,719	2,532	262	(262)	2,532	8.0%	-	154	154	-	2,687	(33)	(590)	-	(590)	8	-	669	396
2017	2,736	112	35	2,883	2,736	206	(206)	2,736	8.0%	-	150	150	-	2,886	3	(586)	-	(586)	-	21	648	307
2018	2,956	83	34	3,073	2,956	160	(160)	2,956	8.0%	-	147	147	-	3,102	29	(557)	-	(557)	-	42	605	240
2019	3,193	62	32	3,287	3,193	127	(127)	3,193	8.0%	-	143	143	-	3,337	50	(508)	-	(508)	-	59	546	192
2020	3,450	47	29	3,526	3,450	99	(99)	3,450	8.0%	-	140	140	-	3,590	64	(443)	-	(443)	-	72	474	155
2021	3,728	36	25	3,789	3,728	79	(79)	3,728	8.0%	-	137	137	-	3,865	76	(367)	-	(367)	-	81	393	127
2022	4,028	29	21	4,078	4,028	63	(63)	4,028	8.0%	-	134	134	-	4,162	84	(283)	-	(283)	-	89	304	105
2023	4,352	23	16	4,391	4,352	49	(49)	4,352	8.1%	-	131	131	-	4,483	92	(191)	-	(191)	-	95	209	87
2024	4,703	19	11	4,732	4,703	38	(38)	4,703	8.1%	-	128	128	-	4,831	99	(93)	-	(93)	-	102	107	73
2025	5,081	15	6	5,102	5,081	27	(27)	5,081	8.1%	-	113	113	-	5,195	93	0	12	12	-	107	0	62
	52,532	3,669	391	56,592	52,532	4,431	(3,973)	52,991		336	3,204	3,540	3	56,533	-				713	713		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	$100K Increases - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 14.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,494	2,511	59	(2,123)	643	4	(4)	-	-
	Total Economic Cost:		34,584		2025 Ending Surplus / (Deficit)		14	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	211	-	211	2,185
2007	958	286	11	1,255	958	113	-	1,070	0.6%	42	137	179	0	1,249	(6)	0	281	281	-	38	174	2,272
2008	1,121	371	9	1,501	1,121	325	(215)	1,230	14.9%	42	229	271	-	1,501	-	0	247	247	25	-	199	2,225
2009	1,295	389	10	1,694	1,295	420	(301)	1,414	14.9%	42	238	280	-	1,694	-	0	199	199	23	-	221	2,101
2010	1,482	419	12	1,912	1,482	441	(298)	1,625	14.9%	42	246	288	-	1,912	-	0	139	139	16	-	237	1,882
2011	1,686	429	12	2,127	1,686	474	(293)	1,867	14.9%	42	218	260	-	2,127	-	0	103	103	-	21	216	1,594
2012	1,908	401	11	2,320	1,908	484	(484)	1,908	2.2%	42	278	320	-	2,228	(92)	(92)	-	(92)	132	-	348	1,280
2013	2,062	354	18	2,434	2,062	461	(461)	2,062	8.1%	42	170	212	-	2,273	(160)	(252)	-	(252)	104	-	452	998
2014	2,228	290	24	2,541	2,228	415	(415)	2,228	8.1%	-	164	164	-	2,392	(149)	(401)	-	(401)	103	-	554	764
2015	2,408	228	29	2,664	2,408	351	(351)	2,408	8.1%	-	159	159	-	2,567	(98)	(499)	-	(499)	61	-	615	580
2016	2,602	170	32	2,804	2,602	286	(286)	2,602	8.1%	-	155	155	-	2,757	(48)	(546)	-	(546)	20	-	635	443
2017	2,812	125	33	2,970	2,812	224	(224)	2,812	8.1%	-	151	151	-	2,963	(7)	(554)	-	(554)	-	13	622	343
2018	3,039	93	33	3,165	3,039	173	(173)	3,039	8.1%	-	147	147	-	3,186	21	(533)	-	(533)	-	36	587	268
2019	3,285	69	31	3,384	3,285	137	(137)	3,285	8.1%	-	143	143	-	3,428	44	(489)	-	(489)	-	54	532	214
2020	3,550	52	28	3,630	3,550	107	(107)	3,550	8.1%	-	140	140	-	3,690	60	(429)	-	(429)	-	68	464	173
2021	3,837	40	24	3,902	3,837	84	(84)	3,837	8.1%	-	137	137	-	3,974	72	(357)	-	(357)	-	78	385	142
2022	4,147	32	20	4,200	4,147	67	(67)	4,147	8.1%	-	134	134	-	4,281	81	(276)	-	(276)	-	86	299	117
2023	4,483	26	16	4,525	4,483	53	(53)	4,483	8.1%	-	131	131	-	4,614	89	(186)	-	(186)	-	93	206	97
2024	4,845	21	11	4,877	4,845	41	(41)	4,845	8.1%	-	128	128	-	4,974	97	(89)	-	(89)	-	100	106	81
2025	5,237	17	6	5,260	5,237	29	(29)	5,237	8.1%	-	112	112	-	5,349	89	(0)	14	14	-	106	0	69
	53,922	4,034	371	58,328	53,922	4,807	(4,017)	54,713		336	3,217	3,553	3	58,268	-				694	694		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 1-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,143	2,462	59	(1,386)	410	3	(3)	-	-
	Total Economic Cost:		30,689		2025 Ending Surplus / (Deficit)		7	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	45	-	45	1,352
2007	958	233	2	1,193	958	109	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	45	-	1,337
2008	1,030	235	-	1,264	1,030	256	(144)	1,142	7.1%	42	81	123	-	1,264	-	(0)	441	441	-	-	-	1,289
2009	1,365	242	-	1,607	1,365	258	(383)	1,241	8.6%	42	324	366	-	1,607	-	(0)	307	307	-	-	-	1,113
2010	1,473	247	-	1,720	1,473	266	(391)	1,348	8.6%	42	330	372	-	1,720	-	(0)	159	159	26	-	26	924
2011	1,589	241	1	1,831	1,589	274	(398)	1,464	8.6%	42	324	366	-	1,831	-	(0)	8	8	113	-	139	734
2012	1,714	214	7	1,936	1,714	273	(396)	1,591	8.6%	42	177	219	-	1,810	(126)	(126)	-	(126)	100	-	238	561
2013	1,849	171	13	2,033	1,849	250	(371)	1,729	8.6%	42	164	206	-	1,934	(98)	(224)	-	(224)	70	-	309	422
2014	1,996	124	16	2,136	1,996	205	(323)	1,878	8.6%	-	160	160	-	2,038	(98)	(322)	-	(322)	78	-	387	322
2015	2,153	91	20	2,265	2,153	158	(271)	2,040	8.6%	-	156	156	-	2,196	(69)	(391)	-	(391)	54	-	441	249
2016	2,323	67	23	2,414	2,323	126	(233)	2,217	8.6%	-	152	152	-	2,369	(45)	(436)	-	(436)	35	-	476	196
2017	2,507	52	25	2,584	2,507	102	(201)	2,408	8.6%	-	149	149	-	2,557	(27)	(464)	-	(464)	19	-	495	154
2018	2,706	38	26	2,770	2,706	86	(175)	2,616	8.6%	-	145	145	-	2,762	(8)	(472)	-	(472)	2	-	497	125
2019	2,920	29	26	2,975	2,920	71	(148)	2,843	8.6%	-	142	142	-	2,985	10	(462)	-	(462)	-	14	482	102
2020	3,151	24	25	3,200	3,151	60	(122)	3,088	8.6%	-	139	139	-	3,228	28	(434)	-	(434)	-	31	451	84
2021	3,400	18	24	3,442	3,400	52	(97)	3,355	8.6%	-	136	136	-	3,492	49	(385)	-	(385)	-	52	399	70
2022	3,670	15	21	3,706	3,670	43	(68)	3,645	8.6%	-	134	134	-	3,779	73	(312)	-	(312)	-	75	323	59
2023	3,960	12	17	3,990	3,960	35	(35)	3,960	8.6%	-	131	131	-	4,091	101	(210)	-	(210)	-	103	220	49
2024	4,274	10	12	4,296	4,274	26	(26)	4,274	7.9%	-	128	128	-	4,402	106	(104)	-	(104)	-	108	112	41
2025	4,613	8	6	4,627	4,613	18	(18)	4,613	7.9%	-	118	118	-	4,731	104	0	7	7	-	112	0	35
	48,590	2,295	264	51,149	48,590	2,792	(3,799)	47,583		336	3,168	3,504	3	51,090	-				541	541		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.1%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,253	2,475	59	(1,576)	469	3	(4)	-	-
	Total Economic Cost:		31,679		2025 Ending Surplus / (Deficit)		8	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	88	-	88	1,568
2007	958	267	5	1,229	958	110	-	1,067	0.4%	42	114	156	0	1,223	(6)	(0)	299	299	-	76	11	1,551
2008	1,030	269	1	1,299	1,030	294	(165)	1,158	8.5%	42	98	140	-	1,299	-	(0)	389	389	-	11	-	1,497
2009	1,402	278	-	1,680	1,402	296	(433)	1,264	9.1%	42	374	416	-	1,680	-	(0)	204	204	55	-	55	1,295
2010	1,513	287	3	1,803	1,513	309	(442)	1,380	9.1%	42	381	423	-	1,803	-	(0)	2	2	158	-	213	1,075
2011	1,633	281	11	1,925	1,633	328	(455)	1,506	9.1%	42	177	219	-	1,725	(200)	(200)	-	(200)	158	-	371	853
2012	1,763	249	19	2,031	1,763	331	(449)	1,644	9.1%	42	170	212	-	1,855	(176)	(376)	-	(376)	136	-	507	652
2013	1,903	199	27	2,128	1,903	304	(412)	1,794	9.1%	42	165	207	-	2,001	(127)	(503)	-	(503)	95	-	602	491
2014	2,054	144	32	2,229	2,054	253	(349)	1,958	9.1%	-	160	160	-	2,118	(111)	(614)	-	(614)	88	-	689	375
2015	2,217	106	36	2,359	2,217	198	(278)	2,137	9.1%	-	156	156	-	2,293	(66)	(680)	-	(680)	49	-	738	290
2016	2,393	78	39	2,510	2,393	160	(220)	2,332	9.1%	-	152	152	-	2,485	(26)	(706)	-	(706)	13	-	751	227
2017	2,583	60	39	2,683	2,583	130	(168)	2,546	9.1%	-	149	149	-	2,694	11	(695)	-	(695)	-	21	730	180
2018	2,789	45	38	2,872	2,789	108	(119)	2,778	9.1%	-	146	146	-	2,924	52	(643)	-	(643)	-	59	672	145
2019	3,011	34	35	3,080	3,011	88	(88)	3,011	8.4%	-	142	142	-	3,153	73	(570)	-	(570)	-	78	593	118
2020	3,251	27	31	3,309	3,251	72	(72)	3,251	8.0%	-	139	139	-	3,390	81	(489)	-	(489)	-	85	508	97
2021	3,510	21	27	3,558	3,510	59	(59)	3,510	8.0%	-	136	136	-	3,646	88	(400)	-	(400)	-	92	416	81
2022	3,789	17	22	3,828	3,789	48	(48)	3,789	8.0%	-	134	134	-	3,923	94	(306)	-	(306)	-	97	319	68
2023	4,091	15	17	4,122	4,091	38	(38)	4,091	8.0%	-	131	131	-	4,222	99	(206)	-	(206)	-	102	218	57
2024	4,417	12	11	4,441	4,417	29	(29)	4,417	8.0%	-	128	128	-	4,545	105	(102)	-	(102)	-	106	111	48
2025	4,769	10	6	4,785	4,769	20	(20)	4,769	8.0%	-	117	117	-	4,887	102	(0)	8	8	-	111	0	41
	50,012	2,622	399	53,034	50,012	3,297	(3,843)	49,466		336	3,170	3,506	3	52,974	-				839	839		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.2%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,349	2,486	59	(1,763)	527	4	(4)	-	-
	Total Economic Cost:		32,659		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,685
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	130	-	130	1,781
2007	958	286	7	1,251	958	111	-	1,068	0.5%	42	134	176	0	1,245	(6)	(0)	280	280	-	55	75	1,776
2008	1,030	303	4	1,336	1,030	319	(179)	1,170	9.5%	42	125	167	-	1,336	-	(0)	345	345	-	75	-	1,716
2009	1,439	315	-	1,754	1,439	333	(483)	1,289	10.2%	42	422	464	-	1,754	-	(0)	110	110	188	-	188	1,488
2010	1,553	329	10	1,893	1,553	357	(490)	1,421	10.2%	42	291	333	-	1,754	(138)	(138)	-	(138)	198	-	386	1,236
2011	1,677	324	20	2,021	1,677	385	(495)	1,567	10.2%	42	176	218	-	1,785	(237)	(375)	-	(375)	186	-	571	980
2012	1,811	286	30	2,127	1,811	389	(473)	1,727	10.2%	42	171	213	-	1,940	(188)	(563)	-	(563)	142	-	713	749
2013	1,956	228	37	2,221	1,956	356	(408)	1,904	10.2%	42	165	207	-	2,111	(110)	(673)	-	(673)	73	-	786	564
2014	2,112	165	41	2,318	2,112	296	(310)	2,099	10.2%	-	161	161	-	2,259	(59)	(732)	-	(732)	32	-	818	431
2015	2,280	123	43	2,446	2,280	229	(229)	2,280	8.7%	-	157	157	-	2,437	(9)	(741)	-	(741)	-	11	807	332
2016	2,463	90	42	2,595	2,463	181	(181)	2,463	8.0%	-	153	153	-	2,615	20	(721)	-	(721)	-	35	773	261
2017	2,660	69	41	2,769	2,660	144	(144)	2,660	8.0%	-	149	149	-	2,809	40	(681)	-	(681)	-	51	722	206
2018	2,872	52	38	2,962	2,872	118	(118)	2,872	8.0%	-	146	146	-	3,018	56	(625)	-	(625)	-	64	658	166
2019	3,102	39	35	3,176	3,102	95	(95)	3,102	8.0%	-	143	143	-	3,245	69	(556)	-	(556)	-	75	583	136
2020	3,350	31	31	3,412	3,350	77	(77)	3,350	8.0%	-	140	140	-	3,490	78	(478)	-	(478)	-	83	500	112
2021	3,619	24	26	3,669	3,619	63	(63)	3,619	8.0%	-	137	137	-	3,755	86	(392)	-	(392)	-	90	411	93
2022	3,908	20	22	3,950	3,908	51	(51)	3,908	8.0%	-	134	134	-	4,042	92	(300)	-	(300)	-	95	315	78
2023	4,222	17	17	4,255	4,222	40	(40)	4,222	8.0%	-	131	131	-	4,352	98	(202)	-	(202)	-	100	215	65
2024	4,560	14	11	4,585	4,560	31	(31)	4,560	8.0%	-	128	128	-	4,688	103	(99)	-	(99)	-	105	110	55
2025	4,925	11	6	4,942	4,925	22	(22)	4,925	8.0%	-	116	116	-	5,042	99	0	9	9	-	110	0	46
	51,435	2,949	460	54,845	51,435	3,721	(3,887)	51,270		336	3,177	3,513	3	54,785	-				949	949		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 13.8%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,433	2,499	59	(1,946)	586	4	(4)	-	-
	Total Economic Cost:		33,631		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	172	-	172	1,990
2007	958	286	9	1,253	958	112	-	1,070	0.6%	42	135	177	0	1,247	(6)	(0)	280	280	-	50	123	2,015
2008	1,030	337	6	1,373	1,030	322	(181)	1,171	9.5%	42	160	202	-	1,373	-	(0)	312	312	-	45	78	1,950
2009	1,476	353	4	1,832	1,476	375	(519)	1,332	13.8%	42	458	500	-	1,832	-	(0)	43	43	219	-	296	1,695
2010	1,594	373	16	1,983	1,594	405	(483)	1,516	13.8%	42	226	268	-	1,784	(199)	(199)	-	(199)	185	-	481	1,411
2011	1,721	370	25	2,117	1,721	439	(439)	1,721	13.6%	42	177	219	-	1,941	(176)	(375)	-	(375)	118	-	599	1,118
2012	1,859	327	31	2,218	1,859	442	(442)	1,859	8.0%	42	172	214	-	2,073	(144)	(520)	-	(520)	92	-	691	854
2013	2,009	260	36	2,305	2,009	399	(399)	2,009	8.0%	42	166	208	-	2,217	(88)	(608)	-	(608)	46	-	737	643
2014	2,170	188	39	2,396	2,170	329	(329)	2,170	8.0%	-	161	161	-	2,331	(65)	(673)	-	(673)	35	-	772	491
2015	2,344	140	41	2,525	2,344	251	(251)	2,344	8.0%	-	157	157	-	2,501	(24)	(697)	-	(697)	1	-	773	379
2016	2,532	103	41	2,676	2,532	199	(199)	2,532	8.0%	-	153	153	-	2,685	10	(687)	-	(687)	-	26	747	297
2017	2,736	78	39	2,853	2,736	156	(156)	2,736	8.0%	-	149	149	-	2,885	32	(655)	-	(655)	-	44	702	235
2018	2,956	59	37	3,052	2,956	127	(127)	2,956	8.0%	-	146	146	-	3,102	50	(605)	-	(605)	-	59	643	188
2019	3,193	44	34	3,272	3,193	102	(102)	3,193	8.0%	-	143	143	-	3,336	65	(541)	-	(541)	-	71	571	154
2020	3,450	35	30	3,515	3,450	82	(82)	3,450	8.0%	-	140	140	-	3,590	74	(466)	-	(466)	-	80	492	127
2021	3,728	28	26	3,781	3,728	67	(67)	3,728	8.0%	-	137	137	-	3,865	83	(383)	-	(383)	-	87	404	106
2022	4,028	23	21	4,072	4,028	54	(54)	4,028	8.0%	-	134	134	-	4,162	90	(293)	-	(293)	-	93	311	89
2023	4,352	19	16	4,388	4,352	43	(43)	4,352	8.1%	-	131	131	-	4,483	95	(198)	-	(198)	-	98	213	74
2024	4,703	16	11	4,730	4,703	33	(33)	4,703	8.1%	-	128	128	-	4,831	101	(97)	-	(97)	-	104	109	62
2025	5,081	13	6	5,100	5,081	24	(24)	5,081	8.1%	-	115	115	-	5,196	97	(0)	10	10	-	109	0	52
	52,858	3,276	468	56,602	52,858	4,085	(3,929)	53,015		336	3,189	3,525	3	56,543	-				867	867		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 1-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, NF*
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,454	2,514	121	(2,129)	644	5	(5)	-	-
	Total Economic Cost:		34,603		2025 Ending Surplus / (Deficit)		(134)	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,036
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	214	-	214	2,199
2007	958	286	11	1,255	958	113	-	1,071	0.7%	42	137	179	0	1,249	(6)	(0)	281	281	-	44	170	2,254
2008	1,030	372	9	1,410	1,030	325	(182)	1,172	9.5%	42	196	238	-	1,410	-	(0)	279	279	-	12	158	2,183
2009	1,512	390	8	1,911	1,512	418	(418)	1,512	29.1%	42	356	398	-	1,911	-	(0)	113	113	110	-	267	1,902
2010	1,634	417	14	2,065	1,634	444	(444)	1,634	8.0%	42	298	340	-	1,974	(91)	(91)	-	(91)	141	-	408	1,585
2011	1,766	416	21	2,204	1,766	482	(482)	1,766	8.0%	42	179	221	-	1,986	(217)	(308)	-	(308)	151	-	559	1,256
2012	1,908	367	29	2,304	1,908	490	(490)	1,908	8.1%	42	173	215	-	2,123	(182)	(490)	-	(490)	122	-	682	960
2013	2,062	293	36	2,390	2,062	443	(443)	2,062	8.1%	42	167	209	-	2,271	(119)	(609)	-	(609)	72	-	754	722
2014	2,228	211	40	2,479	2,228	365	(365)	2,228	8.1%	-	162	162	-	2,390	(89)	(698)	-	(698)	55	-	808	552
2015	2,408	158	42	2,608	2,408	279	(279)	2,408	8.1%	-	158	158	-	2,565	(42)	(740)	-	(740)	17	-	825	425
2016	2,602	116	43	2,761	2,602	221	(221)	2,602	8.1%	-	153	153	-	2,755	(6)	(746)	-	(746)	-	13	812	333
2017	2,812	88	43	2,943	2,812	174	(174)	2,812	8.1%	-	150	150	-	2,962	19	(727)	-	(727)	-	33	779	263
2018	3,039	66	41	3,146	3,039	142	(142)	3,039	8.1%	-	146	146	-	3,185	39	(688)	-	(688)	-	49	730	211
2019	3,285	50	38	3,373	3,285	115	(115)	3,285	8.1%	-	143	143	-	3,428	55	(633)	-	(633)	-	62	668	172
2020	3,550	39	35	3,625	3,550	94	(94)	3,550	8.1%	-	140	140	-	3,690	65	(568)	-	(568)	-	71	596	142
2021	3,837	31	31	3,899	3,837	78	(78)	3,837	8.1%	-	137	137	-	3,974	75	(493)	-	(493)	-	79	517	119
2022	4,147	25	27	4,200	4,147	64	(64)	4,147	8.1%	-	134	134	-	4,281	81	(412)	-	(412)	-	85	432	99
2023	4,483	22	23	4,527	4,483	53	(53)	4,483	8.1%	-	131	131	-	4,614	87	(325)	-	(325)	-	90	342	83
2024	4,845	18	18	4,881	4,845	43	(43)	4,845	8.1%	-	128	128	-	4,974	92	(233)	-	(233)	-	95	247	69
2025	5,237	14	13	5,265	5,237	34	(34)	5,237	8.1%	-	126	126	-	5,363	98	(134)	-	(134)	-	100	146	59
	54,281	3,602	523	58,407	54,281	4,502	(4,122)	54,661		336	3,213	3,549	3	58,213	(134)				882	736		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits. Premium stabilization does not appear financially feasible under the assumed scenario.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	HAP 3-Step - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 8.5%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,121	2,454	59	(1,381)	410	3	(3)	-	-
	Total Economic Cost:		30,664		2025 Ending Surplus / (Deficit)		9	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,323
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	43	-	43	1,344
2007	958	233	2	1,193	958	109	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	43	-	1,362
2008	1,088	235	-	1,322	1,088	256	(187)	1,157	8.5%	42	124	166	-	1,322	-	(0)	398	398	-	-	-	1,341
2009	1,170	242	-	1,412	1,170	258	(174)	1,255	8.5%	42	116	158	-	1,412	-	(0)	471	471	-	-	-	1,305
2010	1,376	251	-	1,626	1,376	266	(281)	1,361	8.5%	42	223	265	-	1,626	-	(0)	436	436	-	-	-	1,188
2011	1,482	254	-	1,737	1,482	276	(282)	1,476	8.5%	42	218	260	-	1,737	-	(0)	401	401	-	-	-	1,050
2012	1,714	247	-	1,961	1,714	280	(393)	1,601	8.5%	42	318	360	-	1,961	-	(0)	261	261	-	-	-	859
2013	1,849	227	-	2,076	1,849	272	(385)	1,737	8.5%	42	297	339	-	2,076	-	(0)	134	134	2	-	2	679
2014	1,996	195	0	2,190	1,996	250	(361)	1,884	8.5%	-	296	296	-	2,180	(10)	(10)	-	(10)	113	-	115	523
2015	2,153	156	6	2,315	2,153	221	(330)	2,044	8.5%	-	157	157	-	2,201	(114)	(124)	-	(124)	89	-	204	397
2016	2,323	119	11	2,454	2,323	183	(289)	2,217	8.5%	-	153	153	-	2,370	(83)	(207)	-	(207)	64	-	267	300
2017	2,507	87	14	2,608	2,507	147	(249)	2,405	8.5%	-	149	149	-	2,555	(53)	(261)	-	(261)	39	-	307	230
2018	2,706	64	16	2,786	2,706	113	(210)	2,609	8.5%	-	146	146	-	2,755	(31)	(292)	-	(292)	21	-	328	179
2019	2,920	47	17	2,984	2,920	89	(179)	2,830	8.5%	-	143	143	-	2,973	(11)	(303)	-	(303)	4	-	331	142
2020	3,151	36	17	3,204	3,151	71	(152)	3,070	8.5%	-	140	140	-	3,209	5	(298)	-	(298)	-	11	321	114
2021	3,400	28	17	3,445	3,400	58	(128)	3,330	8.5%	-	137	137	-	3,466	22	(276)	-	(276)	-	26	294	92
2022	3,670	21	15	3,706	3,670	47	(105)	3,612	8.5%	-	134	134	-	3,746	39	(237)	-	(237)	-	43	252	76
2023	3,960	17	13	3,991	3,960	38	(80)	3,918	8.5%	-	131	131	-	4,049	59	(178)	-	(178)	-	61	191	63
2024	4,274	13	10	4,298	4,274	30	(54)	4,250	8.5%	-	128	128	-	4,378	81	(97)	-	(97)	-	83	108	53
2025	4,613	11	6	4,630	4,613	21	(24)	4,610	8.5%	-	117	117	-	4,727	97	(0)	9	9	-	108	0	44
	48,249	2,705	145	51,100	48,249	3,109	(3,862)	47,496		336	3,205	3,541	3	51,040	-				374	374		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 9.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,232	2,469	59	(1,570)	468	3	(3)	-	-
	Total Economic Cost:		31,658		2025 Ending Surplus / (Deficit)		10	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,505
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	86	-	86	1,559
2007	958	267	5	1,229	958	110	-	1,067	0.3%	42	114	156	0	1,223	(6)	(0)	299	299	-	69	17	1,579
2008	1,096	269	1	1,365	1,096	294	(226)	1,164	9.0%	42	160	202	-	1,365	-	(0)	328	328	-	17	-	1,557
2009	1,179	278	-	1,457	1,179	296	(206)	1,269	9.0%	42	147	189	-	1,457	-	(0)	367	367	-	-	-	1,514
2010	1,402	291	-	1,694	1,402	306	(326)	1,383	9.0%	42	268	310	-	1,694	-	(0)	283	283	-	-	-	1,378
2011	1,511	297	-	1,808	1,511	320	(324)	1,508	9.0%	42	258	300	-	1,808	-	(0)	202	202	41	-	41	1,215
2012	1,763	287	2	2,052	1,763	329	(447)	1,644	9.0%	42	366	408	-	2,052	-	(0)	9	9	149	-	190	993
2013	1,903	263	10	2,175	1,903	327	(437)	1,792	9.0%	42	176	218	-	2,011	(165)	(165)	-	(165)	132	-	322	785
2014	2,054	225	17	2,295	2,054	308	(407)	1,954	9.0%	-	163	163	-	2,117	(179)	(344)	-	(344)	143	-	464	604
2015	2,217	180	24	2,421	2,217	274	(360)	2,131	9.0%	-	158	158	-	2,288	(133)	(476)	-	(476)	104	-	568	458
2016	2,393	138	30	2,561	2,393	231	(301)	2,323	9.0%	-	154	154	-	2,477	(84)	(561)	-	(561)	62	-	630	346
2017	2,583	100	33	2,716	2,583	188	(239)	2,532	9.0%	-	150	150	-	2,682	(34)	(595)	-	(595)	18	-	648	266
2018	2,789	74	34	2,897	2,789	147	(175)	2,761	9.0%	-	146	146	-	2,907	10	(585)	-	(585)	-	22	626	207
2019	3,011	54	33	3,098	3,011	118	(119)	3,010	9.0%	-	143	143	-	3,153	55	(530)	-	(530)	-	64	563	164
2020	3,251	41	30	3,322	3,251	92	(92)	3,251	8.0%	-	140	140	-	3,390	69	(461)	-	(461)	-	75	487	131
2021	3,510	32	26	3,567	3,510	74	(74)	3,510	8.0%	-	137	137	-	3,646	79	(382)	-	(382)	-	84	403	107
2022	3,789	25	21	3,835	3,789	58	(58)	3,789	8.0%	-	134	134	-	3,923	88	(294)	-	(294)	-	92	311	88
2023	4,091	20	16	4,127	4,091	45	(45)	4,091	8.0%	-	131	131	-	4,222	95	(199)	-	(199)	-	98	213	73
2024	4,417	16	11	4,444	4,417	34	(34)	4,417	8.0%	-	128	128	-	4,545	102	(97)	-	(97)	-	104	109	61
2025	4,769	13	6	4,787	4,769	23	(23)	4,769	8.0%	-	115	115	-	4,884	97	(0)	10	10	-	109	0	51
	49,624	3,091	298	53,013	49,624	3,698	(3,894)	49,428		336	3,187	3,523	3	52,953	-				734	734		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 10.0%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,327	2,490	59	(1,757)	527	3	(3)	-	-
	Total Economic Cost:		32,646		2025 Ending Surplus / (Deficit)		12	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,684
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	128	-	128	1,771
2007	958	286	7	1,251	958	111	-	1,068	0.4%	42	134	176	0	1,245	(6)	(0)	280	280	-	47	82	1,808
2008	1,104	303	4	1,411	1,104	320	(249)	1,175	10.0%	42	194	236	-	1,411	-	(0)	277	277	-	2	80	1,783
2009	1,188	315	4	1,508	1,188	338	(233)	1,292	10.0%	42	173	215	-	1,508	-	(0)	291	291	-	24	56	1,734
2010	1,429	334	3	1,765	1,429	350	(357)	1,422	10.0%	42	302	344	-	1,765	-	(0)	172	172	87	-	143	1,576
2011	1,541	342	8	1,890	1,541	375	(352)	1,564	10.0%	42	284	326	-	1,890	-	(0)	67	67	68	-	211	1,387
2012	1,811	329	11	2,151	1,811	388	(479)	1,720	10.0%	42	240	282	-	2,002	(149)	(149)	-	(149)	164	-	375	1,133
2013	1,956	301	20	2,276	1,956	383	(447)	1,891	10.0%	42	169	211	-	2,102	(174)	(323)	-	(323)	126	-	502	894
2014	2,112	256	26	2,394	2,112	360	(391)	2,080	10.0%	-	163	163	-	2,244	(150)	(473)	-	(473)	109	-	611	688
2015	2,280	206	32	2,518	2,280	317	(317)	2,280	9.6%	-	159	159	-	2,439	(79)	(552)	-	(552)	46	-	657	522
2016	2,463	157	34	2,654	2,463	264	(264)	2,463	8.0%	-	154	154	-	2,617	(37)	(589)	-	(589)	12	-	668	395
2017	2,660	114	35	2,808	2,660	211	(211)	2,660	8.0%	-	150	150	-	2,810	1	(588)	-	(588)	-	20	649	303
2018	2,872	85	34	2,991	2,872	163	(163)	2,872	8.0%	-	147	147	-	3,019	28	(560)	-	(560)	-	41	607	235
2019	3,102	62	32	3,196	3,102	128	(128)	3,102	8.0%	-	143	143	-	3,245	50	(511)	-	(511)	-	59	548	187
2020	3,350	47	29	3,426	3,350	100	(100)	3,350	8.0%	-	140	140	-	3,490	64	(447)	-	(447)	-	72	477	150
2021	3,619	36	25	3,680	3,619	79	(79)	3,619	8.0%	-	137	137	-	3,756	76	(371)	-	(371)	-	81	395	122
2022	3,908	28	21	3,957	3,908	63	(63)	3,908	8.0%	-	134	134	-	4,042	85	(286)	-	(286)	-	89	306	100
2023	4,222	22	16	4,260	4,222	49	(49)	4,222	8.0%	-	131	131	-	4,353	93	(193)	-	(193)	-	96	210	83
2024	4,560	18	11	4,589	4,560	37	(37)	4,560	8.0%	-	128	128	-	4,688	99	(94)	-	(94)	-	102	108	69
2025	4,925	14	6	4,945	4,925	26	(26)	4,925	8.0%	-	114	114	-	5,039	94	0	12	12	-	108	0	58
	50,998	3,476	358	54,832	50,998	4,185	(3,945)	51,238		336	3,197	3,533	3	54,773	-				741	741		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 11.9%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,409	2,503	59	(1,939)	585	4	(4)	-	-
	Total Economic Cost:		33,617		2025 Ending Surplus / (Deficit)		13	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,860
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	170	-	170	1,979
2007	958	286	9	1,253	958	112	-	1,069	0.5%	42	135	177	0	1,247	(6)	(0)	280	280	-	40	130	2,050
2008	1,112	337	7	1,456	1,112	322	(238)	1,196	11.9%	42	218	260	-	1,456	-	(0)	255	255	20	-	150	2,024
2009	1,197	353	8	1,558	1,197	379	(238)	1,338	11.9%	42	177	219	-	1,558	-	(0)	267	267	-	23	127	1,969
2010	1,456	378	7	1,840	1,456	395	(354)	1,497	11.9%	42	301	343	-	1,840	-	(0)	151	151	80	-	207	1,788
2011	1,570	390	11	1,970	1,570	428	(322)	1,675	11.9%	42	253	295	-	1,970	-	(0)	78	78	29	-	236	1,570
2012	1,859	374	12	2,245	1,859	442	(442)	1,859	11.0%	42	253	295	-	2,155	(91)	(91)	-	(91)	111	-	347	1,280
2013	2,009	341	18	2,368	2,009	431	(431)	2,009	8.0%	42	170	212	-	2,220	(147)	(238)	-	(238)	93	-	440	1,010
2014	2,170	289	23	2,482	2,170	400	(400)	2,170	8.0%	-	164	164	-	2,334	(148)	(386)	-	(386)	102	-	541	777
2015	2,344	232	28	2,605	2,344	350	(350)	2,344	8.0%	-	159	159	-	2,503	(101)	(487)	-	(487)	64	-	605	589
2016	2,532	177	32	2,741	2,532	290	(290)	2,532	8.0%	-	155	155	-	2,687	(54)	(541)	-	(541)	25	-	631	446
2017	2,736	128	33	2,897	2,736	231	(231)	2,736	8.0%	-	151	151	-	2,886	(11)	(552)	-	(552)	-	10	621	343
2018	2,956	96	33	3,084	2,956	177	(177)	2,956	8.0%	-	147	147	-	3,103	18	(534)	-	(534)	-	34	587	266
2019	3,193	70	31	3,294	3,193	139	(139)	3,193	8.0%	-	143	143	-	3,337	43	(491)	-	(491)	-	54	533	211
2020	3,450	53	28	3,531	3,450	108	(108)	3,450	8.0%	-	140	140	-	3,590	59	(432)	-	(432)	-	68	466	169
2021	3,728	41	24	3,793	3,728	85	(85)	3,728	8.0%	-	137	137	-	3,865	72	(360)	-	(360)	-	78	387	138
2022	4,028	32	20	4,080	4,028	67	(67)	4,028	8.0%	-	134	134	-	4,162	82	(278)	-	(278)	-	87	300	113
2023	4,352	26	16	4,393	4,352	52	(52)	4,352	8.1%	-	131	131	-	4,483	90	(188)	-	(188)	-	94	207	94
2024	4,703	20	11	4,734	4,703	40	(40)	4,703	8.1%	-	128	128	-	4,831	97	(91)	-	(91)	-	100	106	78
2025	5,081	16	6	5,103	5,081	28	(28)	5,081	8.1%	-	113	113	-	5,194	91	0	13	13	-	106	0	66
	52,373	3,861	356	56,590	52,373	4,603	(3,994)	52,981		336	3,211	3,547	3	56,531	-				693	693		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	HAP 3-Step - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	Max O-of-P, 19.6%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,485	2,501	59	(2,122)	644	4	(4)	-	-
	Total Economic Cost:		34,567		2025 Ending Surplus / (Deficit)		15	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,035
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	212	-	212	2,187
2007	958	286	11	1,255	958	113	-	1,071	0.6%	42	137	179	0	1,249	(6)	(0)	281	281	-	34	178	2,293
2008	1,121	371	9	1,501	1,121	325	(182)	1,263	18.0%	42	196	238	-	1,501	-	(0)	279	279	-	4	174	2,264
2009	1,206	390	9	1,605	1,206	419	(235)	1,390	10.0%	42	174	216	-	1,605	-	(0)	297	297	-	29	144	2,204
2010	1,482	422	8	1,912	1,482	438	(258)	1,662	19.6%	42	208	250	-	1,912	-	(0)	276	276	-	20	124	2,000
2011	1,599	438	7	2,043	1,599	472	(265)	1,805	8.6%	42	196	238	-	2,043	-	(0)	262	262	-	36	89	1,753
2012	1,908	419	5	2,331	1,908	487	(487)	1,908	5.7%	42	381	423	-	2,331	-	(0)	57	57	140	-	228	1,428
2013	2,062	381	12	2,455	2,062	474	(474)	2,062	8.1%	42	228	270	-	2,332	(123)	(123)	-	(123)	120	-	348	1,126
2014	2,228	323	18	2,569	2,228	439	(439)	2,228	8.1%	-	165	165	-	2,393	(176)	(298)	-	(298)	124	-	472	866
2015	2,408	259	25	2,691	2,408	382	(382)	2,408	8.1%	-	160	160	-	2,568	(124)	(422)	-	(422)	82	-	554	657
2016	2,602	197	29	2,828	2,602	317	(317)	2,602	8.1%	-	155	155	-	2,757	(71)	(493)	-	(493)	39	-	593	497
2017	2,812	143	31	2,986	2,812	251	(251)	2,812	8.1%	-	151	151	-	2,963	(23)	(516)	-	(516)	-	0	592	382
2018	3,039	107	31	3,177	3,039	191	(191)	3,039	8.1%	-	147	147	-	3,186	9	(507)	-	(507)	-	26	566	296
2019	3,285	78	30	3,392	3,285	150	(150)	3,285	8.1%	-	144	144	-	3,428	36	(471)	-	(471)	-	48	518	235
2020	3,550	59	27	3,636	3,550	116	(116)	3,550	8.1%	-	140	140	-	3,690	54	(417)	-	(417)	-	64	454	189
2021	3,837	45	24	3,906	3,837	91	(91)	3,837	8.1%	-	137	137	-	3,974	68	(349)	-	(349)	-	75	379	154
2022	4,147	35	20	4,203	4,147	72	(72)	4,147	8.1%	-	134	134	-	4,281	79	(270)	-	(270)	-	84	295	126
2023	4,483	29	15	4,527	4,483	56	(56)	4,483	8.1%	-	131	131	-	4,614	87	(182)	-	(182)	-	92	203	104
2024	4,845	23	11	4,879	4,845	43	(43)	4,845	8.1%	-	129	129	-	4,974	95	(87)	-	(87)	-	99	105	87
2025	5,237	18	6	5,261	5,237	31	(31)	5,237	8.1%	-	111	111	-	5,349	87	0	15	15	-	105	-	73
	53,747	4,246	327	58,320	53,747	4,990	(4,040)	54,697		336	3,225	3,561	3	58,260	-				716	716		

Notes

Premium stabilization assumptions: incremental stabilization beginning in 2008, stabilization amount at least equal to the 56% of Assessment/100% of Mcare assessment if $1M primary limits.

ADDENDUM:

APPENDIX C - WORK TASK 3

OTHER MODEL RESULTS

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.00%
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	70%

Rate Environment: Some Softening, Then Steady

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E1,P1	Act 13, Abatement through 12/31/2007	31,802	355	(453)	(1,381)	407	-	-	-	-	30,730	5,707	39
E1,P6	Status Quo, Abatement through 12/31/2007	29,336	356	(248)	1,287	-	5	(5)	-	-	30,731	5,257	5,562
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	103%	1%	-1%	-4%	1%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	95%	1%	-1%	4%	0%	0%	0%	0%	0%	100%		

Rate Environment: Steady Trend

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E2,P1	Act 13, Abatement through 12/31/2007	31,659	355	(453)	(1,381)	407	-	-	-	-	30,588	5,707	39
E2,P6	Status Quo, Abatement through 12/31/2007	29,193	356	(248)	1,287	-	5	(5)	-	-	30,588	5,257	5,562
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-1%	-5%	1%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	95%	1%	-1%	4%	0%	0%	0%	0%	0%	100%		

Rate Environment: 10-Year Cycle

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E3,P1	Act 13, Abatement through 12/31/2007	31,398	355	(453)	(1,381)	407	-	-	-	-	30,327	5,707	39
E3,P6	Status Quo, Abatement through 12/31/2007	28,959	356	(248)	1,287	-	5	(5)	-	-	30,354	5,257	5,562
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-1%	-5%	1%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	95%	1%	-1%	4%	0%	0%	0%	0%	0%	100%		

Rate Environment: 2% for 2007, Long-Term Thereafter

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E4,P1	Act 13, Abatement through 12/31/2007	31,706	355	(453)	(1,381)	407	-	-	-	-	30,634	5,707	39
E4,P6	Status Quo, Abatement through 12/31/2007	29,239	356	(248)	1,287	-	5	(5)	-	-	30,634	5,257	5,562
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	103%	1%	-1%	-5%	1%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	95%	1%	-1%	4%	0%	0%	0%	0%	0%	100%		

Note

Page numbers noted above are for the corresponding exhibit and page of Appendix C - Work Task 3 - Other Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	80%

Rate Environment: Some Softening, Then Steady

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E1,P2	Act 13, Abatement through 12/31/2007	32,905	388	(499)	(1,570)	465	-	-	-	-	31,689	5,741	45
E1,P7	Status Quo, Abatement through 12/31/2007	30,088	388	(264)	1,478	-	5	(5)	-	-	31,690	5,228	6,357
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-2%	-5%	1%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	95%	1%	-1%	5%	0%	0%	0%	0%	0%	100%		

Rate Environment: Steady Trend

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E2,P2	Act 13, Abatement through 12/31/2007	32,763	388	(499)	(1,570)	465	-	-	-	-	31,546	5,741	45
E2,P7	Status Quo, Abatement through 12/31/2007	29,946	388	(264)	1,478	-	5	(5)	-	-	31,547	5,228	6,357
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-2%	-5%	1%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	95%	1%	-1%	5%	0%	0%	0%	0%	0%	100%		

Rate Environment: 10-Year Cycle

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E3,P2	Act 13, Abatement through 12/31/2007	32,498	388	(499)	(1,570)	465	-	-	-	-	31,281	5,741	45
E3,P7	Status Quo, Abatement through 12/31/2007	29,712	388	(264)	1,478	-	5	(5)	-	-	31,313	5,228	6,357
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-2%	-5%	1%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	95%	1%	-1%	5%	0%	0%	0%	0%	0%	100%		

Rate Environment: 2% for 2007, Long-Term Thereafter

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E4,P2	Act 13, Abatement through 12/31/2007	32,809	388	(499)	(1,570)	465	-	-	-	-	31,592	5,741	45
E4,P7	Status Quo, Abatement through 12/31/2007	29,992	388	(264)	1,478	-	5	(5)	-	-	31,594	5,228	6,357
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-2%	-5%	1%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	95%	1%	-1%	5%	0%	0%	0%	0%	0%	100%		

Note

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Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	90%

Rate Environment: Some Softening, Then Steady

	Present Value Summary Through 2025											Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E1,P3	Act 13, Abatement through 12/31/2007	34,009	407	(532)	(1,757)	523	-	-	-	-	32,650	5,779	51
E1,P8	Status Quo, Abatement through 12/31/2007	30,839	407	(268)	1,673	-	6	(6)	-	-	32,651	5,202	7,153
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-2%	-5%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	94%	1%	-1%	5%	0%	0%	0%	0%	0%	100%		

Rate Environment: Steady Trend

	Present Value Summary Through 2025											Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E2,P3	Act 13, Abatement through 12/31/2007	33,866	407	(532)	(1,757)	523	-	-	-	-	32,507	5,779	51
E2,P8	Status Quo, Abatement through 12/31/2007	30,697	407	(268)	1,673	-	6	(6)	-	-	32,509	5,202	7,153
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-2%	-5%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	94%	1%	-1%	5%	0%	0%	0%	0%	0%	100%		

Rate Environment: 10-Year Cycle

	Present Value Summary Through 2025											Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E3,P3	Act 13, Abatement through 12/31/2007	33,598	407	(532)	(1,757)	523	-	-	-	-	32,239	5,779	51
E3,P8	Status Quo, Abatement through 12/31/2007	30,463	407	(268)	1,673	-	6	(6)	-	-	32,275	5,202	7,153
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-2%	-5%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	94%	1%	-1%	5%	0%	0%	0%	0%	0%	100%		

Rate Environment: 2% for 2007, Long-Term Thereafter

	Present Value Summary Through 2025											Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E4,P3	Act 13, Abatement through 12/31/2007	33,912	407	(532)	(1,757)	523	-	-	-	-	32,553	5,779	51
E4,P8	Status Quo, Abatement through 12/31/2007	30,743	407	(268)	1,673	-	6	(6)	-	-	32,555	5,202	7,153
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-2%	-5%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	94%	1%	-1%	5%	0%	0%	0%	0%	0%	100%		

Note

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Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	100%

Rate Environment: Some Softening, Then Steady

	Present Value Summary Through 2025											Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E1,P4	Act 13, Abatement through 12/31/2007	35,107	408	(546)	(1,940)	581	-	-	-	-	33,610	5,815	58
E1,P9	Status Quo, Abatement through 12/31/2007	31,585	408	(253)	1,871	-	7	(7)	-	-	33,612	5,174	7,948
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-2%	-6%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	94%	1%	-1%	6%	0%	0%	0%	0%	0%	100%		

Rate Environment: Steady Trend

	Present Value Summary Through 2025											Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E2,P4	Act 13, Abatement through 12/31/2007	34,964	408	(546)	(1,940)	581	-	-	-	-	33,467	5,815	58
E2,P9	Status Quo, Abatement through 12/31/2007	31,442	408	(253)	1,871	-	7	(7)	-	-	33,469	5,174	7,948
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-2%	-6%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	94%	1%	-1%	6%	0%	0%	0%	0%	0%	100%		

Rate Environment: 10-Year Cycle

	Present Value Summary Through 2025											Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E3,P4	Act 13, Abatement through 12/31/2007	34,692	408	(546)	(1,940)	581	-	-	-	-	33,195	5,815	58
E3,P9	Status Quo, Abatement through 12/31/2007	31,208	408	(253)	1,871	-	7	(7)	-	-	33,235	5,174	7,948
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	105%	1%	-2%	-6%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	94%	1%	-1%	6%	0%	0%	0%	0%	0%	100%		

Rate Environment: 2% for 2007, Long-Term Thereafter

	Present Value Summary Through 2025											Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E4,P4	Act 13, Abatement through 12/31/2007	35,010	408	(546)	(1,940)	581	-	-	-	-	33,514	5,815	58
E4,P9	Status Quo, Abatement through 12/31/2007	31,489	408	(253)	1,871	-	7	(7)	-	-	33,515	5,174	7,948
	Percentage of Total Economic Cost												
	Act 13, Abatement through 12/31/2007	104%	1%	-2%	-6%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	94%	1%	-1%	6%	0%	0%	0%	0%	0%	100%		

Note

Page numbers noted above are for the corresponding exhibit and page of Appendix C - Work Task 3 - Other Model Results - Addendum.

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Common Key Assumptions	
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Surplus:	4.00%
Target Surplus:	20.0% of Unfunded Liability
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Assumption re: Mcare Projections:	110%

Rate Environment: Some Softening, Then Steady

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E1,P5	Act 13, Abatement through 12/31/2007	36,204	420	(572)	(2,122)	639	-	-	-	-	34,570	5,851	64
E1,P10	Status Quo, Abatement through 12/31/2007	32,332	422	(251)	2,070	-	7	(7)	-	-	34,573	5,149	8,744
		Percentage of Total Economic Cost											
	Act 13, Abatement through 12/31/2007	105%	1%	-2%	-6%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	94%	1%	-1%	6%	0%	0%	0%	0%	0%	100%		

Rate Environment: Steady Trend

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E2,P5	Act 13, Abatement through 12/31/2007	36,062	420	(572)	(2,122)	639	-	-	-	-	34,428	5,851	64
E2,P10	Status Quo, Abatement through 12/31/2007	32,190	422	(251)	2,070	-	7	(7)	-	-	34,431	5,149	8,744
		Percentage of Total Economic Cost											
	Act 13, Abatement through 12/31/2007	105%	1%	-2%	-6%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	93%	1%	-1%	6%	0%	0%	0%	0%	0%	100%		

Rate Environment: 10-Year Cycle

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E3,P5	Act 13, Abatement through 12/31/2007	35,786	420	(572)	(2,122)	639	-	-	-	-	34,151	5,851	64
E3,P10	Status Quo, Abatement through 12/31/2007	31,956	422	(251)	2,070	-	7	(7)	-	-	34,197	5,149	8,744
		Percentage of Total Economic Cost											
	Act 13, Abatement through 12/31/2007	105%	1%	-2%	-6%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	93%	1%	-1%	6%	0%	0%	0%	0%	0%	100%		

Rate Environment: 2% for 2007, Long-Term Thereafter

		Present Value Summary Through 2025										Nominal Values	
Page	Phase-out Assumptions, Legislative Scenario	Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Potential Uninsured CY Claims	Adjusted Disc Potn'l Uninsured Liability	Total Economic Cost	2025 Ending Surplus / (Deficit)	2025 MCARE Unfunded Liability
E4,P5	Act 13, Abatement through 12/31/2007	36,108	420	(572)	(2,122)	639	-	-	-	-	34,474	5,851	64
E4,P10	Status Quo, Abatement through 12/31/2007	32,236	422	(251)	2,070	-	7	(7)	-	-	34,477	5,149	8,744
		Percentage of Total Economic Cost											
	Act 13, Abatement through 12/31/2007	105%	1%	-2%	-6%	2%	0%	0%	0%	0%	100%		
	Status Quo, Abatement through 12/31/2007	93%	1%	-1%	6%	0%	0%	0%	0%	0%	100%		

Note

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Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,802	355	(453)	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,730		2025 Ending Surplus / (Deficit)		5,707	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	39	-	39	1,325
2007	1,009	233	2	1,244	1,009	108	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	-	1,419	26.9%	42	-	42	-	1,461	64	64	521	586	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	-	1,509	6.4%	42	-	42	3	1,554	63	128	715	843	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	-	1,611	6.7%	42	-	42	5	1,658	69	197	913	1,110	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	-	1,853	15.0%	42	-	42	8	1,903	80	277	1,116	1,393	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	-	1,971	6.4%	42	-	42	11	2,024	94	372	1,323	1,695	-	-	-	678
2013	1,849	188	-	2,037	1,849	237	-	2,087	5.9%	42	-	42	15	2,144	106	478	1,535	2,014	-	-	-	527
2014	1,996	155	-	2,151	1,996	207	-	2,202	5.5%	-	-	-	19	2,221	70	549	1,753	2,302	-	-	-	402
2015	2,153	119	-	2,272	2,153	171	-	2,324	5.5%	-	-	-	22	2,346	74	622	1,976	2,599	-	-	-	306
2016	2,323	88	-	2,411	2,323	131	-	2,454	5.6%	-	-	-	25	2,479	68	690	2,206	2,896	-	-	-	235
2017	2,507	65	-	2,572	2,507	96	-	2,604	6.1%	-	-	-	28	2,631	59	749	2,441	3,190	-	-	-	183
2018	2,706	48	-	2,754	2,706	72	-	2,777	6.7%	-	-	-	30	2,807	54	803	2,683	3,486	-	-	-	145
2019	2,920	37	-	2,956	2,920	53	-	2,972	7.0%	-	-	-	32	3,005	48	851	2,931	3,782	-	-	-	117
2020	3,151	28	-	3,179	3,151	40	-	3,191	7.4%	-	-	-	34	3,225	47	898	3,187	4,085	-	-	-	95
2021	3,400	22	-	3,422	3,400	31	-	3,431	7.5%	-	-	-	36	3,467	45	942	3,450	4,392	-	-	-	78
2022	3,670	18	-	3,688	3,670	24	-	3,694	7.7%	-	-	-	38	3,731	44	986	3,721	4,707	-	-	-	65
2023	3,960	14	-	3,974	3,960	20	-	3,980	7.7%	-	-	-	39	4,019	45	1,031	4,000	5,031	-	-	-	54
2024	4,274	11	-	4,285	4,274	15	-	4,290	7.8%	-	-	-	41	4,331	45	1,077	4,288	5,365	-	-	-	46
2025	4,613	9	-	4,622	4,613	12	-	4,625	7.8%	-	-	-	43	4,668	46	1,123	4,584	5,707	-	-	-	39
	48,588	2,419	2	51,010	48,588	2,639	-	51,227		336	79	415	431	52,073	1,123				39	39		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,905	388	(499)	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,689		2025 Ending Surplus / (Deficit)		5,741	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	82	-	82	1,537
2007	1,009	267	4	1,280	1,009	109	-	1,119	0.4%	42	113	155	0	1,275	(6)	0	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	-	1,475	31.9%	42	-	42	-	1,517	68	68	487	555	-	6	-	1,442
2009	1,273	274	-	1,547	1,273	294	-	1,567	6.2%	42	-	42	3	1,612	65	133	680	812	-	-	-	1,331
2010	1,371	279	-	1,651	1,371	302	-	1,673	6.7%	42	-	42	5	1,720	69	202	876	1,078	-	-	-	1,193
2011	1,633	273	-	1,906	1,633	307	-	1,940	16.0%	42	-	42	8	1,990	84	286	1,077	1,364	-	-	-	983
2012	1,763	251	-	2,014	1,763	301	-	2,063	6.3%	42	-	42	11	2,117	103	389	1,283	1,672	-	-	-	786
2013	1,903	218	-	2,121	1,903	276	-	2,179	5.6%	42	-	42	16	2,236	115	505	1,494	1,999	-	-	-	611
2014	2,054	180	-	2,233	2,054	240	-	2,294	5.3%	-	-	-	20	2,314	80	585	1,710	2,295	-	-	-	466
2015	2,217	138	-	2,355	2,217	198	-	2,415	5.3%	-	-	-	23	2,438	83	668	1,931	2,600	-	-	-	354
2016	2,393	102	-	2,495	2,393	152	-	2,545	5.4%	-	-	-	27	2,572	77	745	2,159	2,904	-	-	-	273
2017	2,583	75	-	2,659	2,583	112	-	2,695	5.9%	-	-	-	30	2,725	66	812	2,392	3,204	-	-	-	213
2018	2,789	56	-	2,845	2,789	83	-	2,872	6.6%	-	-	-	32	2,904	60	871	2,632	3,503	-	-	-	168
2019	3,011	42	-	3,053	3,011	61	-	3,072	7.0%	-	-	-	35	3,107	54	925	2,878	3,803	-	-	-	135
2020	3,251	32	-	3,283	3,251	47	-	3,297	7.3%	-	-	-	37	3,334	52	976	3,132	4,108	-	-	-	110
2021	3,510	25	-	3,535	3,510	35	-	3,545	7.5%	-	-	-	39	3,584	49	1,025	3,393	4,418	-	-	-	91
2022	3,789	21	-	3,810	3,789	28	-	3,817	7.7%	-	-	-	41	3,858	48	1,074	3,662	4,735	-	-	-	75
2023	4,091	16	-	4,107	4,091	23	-	4,114	7.8%	-	-	-	43	4,157	49	1,123	3,938	5,061	-	-	-	63
2024	4,417	13	-	4,430	4,417	18	-	4,435	7.8%	-	-	-	45	4,480	50	1,173	4,224	5,396	-	-	-	53
2025	4,769	11	-	4,780	4,769	14	-	4,783	7.9%	-	-	-	47	4,830	51	1,223	4,518	5,741	-	-	-	45
	49,996	2,764	5	52,765	49,996	3,018	-	53,015		336	113	449	465	53,929	1,223				82	82		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
34,009	407	(532)	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,650		2025 Ending Surplus / (Deficit)		5,779	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	123	-	123	1,746
2007	1,009	286	6	1,302	1,009	111	-	1,120	0.5%	42	134	176	0	1,296	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	-	1,519	35.7%	42	-	42	-	1,561	56	56	470	526	-	69	-	1,653
2009	1,294	311	-	1,604	1,294	332	-	1,625	7.0%	42	-	42	2	1,670	65	121	662	783	-	-	-	1,528
2010	1,394	320	-	1,715	1,394	342	-	1,736	6.8%	42	-	42	5	1,783	68	189	857	1,047	-	-	-	1,369
2011	1,677	315	-	1,992	1,677	352	-	2,030	16.9%	42	-	42	8	2,079	87	276	1,058	1,334	-	-	-	1,126
2012	1,811	288	-	2,099	1,811	347	-	2,158	6.3%	42	-	42	11	2,211	112	387	1,263	1,650	-	-	-	899
2013	1,956	250	-	2,206	1,956	317	-	2,273	5.3%	42	-	42	15	2,330	124	512	1,473	1,984	-	-	-	699
2014	2,112	206	-	2,317	2,112	275	-	2,387	5.0%	-	-	-	20	2,408	90	602	1,688	2,290	-	-	-	533
2015	2,280	158	-	2,439	2,280	226	-	2,506	5.0%	-	-	-	24	2,531	92	694	1,909	2,602	-	-	-	405
2016	2,463	116	-	2,579	2,463	174	-	2,637	5.2%	-	-	-	28	2,665	86	780	2,135	2,915	-	-	-	312
2017	2,660	86	-	2,746	2,660	128	-	2,787	5.7%	-	-	-	31	2,818	73	852	2,368	3,220	-	-	-	243
2018	2,872	64	-	2,936	2,872	95	-	2,967	6.4%	-	-	-	34	3,001	65	917	2,606	3,523	-	-	-	193
2019	3,102	49	-	3,151	3,102	70	-	3,173	6.9%	-	-	-	37	3,209	58	976	2,852	3,827	-	-	-	154
2020	3,350	37	-	3,387	3,350	53	-	3,404	7.3%	-	-	-	39	3,443	56	1,032	3,104	4,136	-	-	-	126
2021	3,619	29	-	3,648	3,619	40	-	3,659	7.5%	-	-	-	41	3,700	53	1,084	3,364	4,448	-	-	-	104
2022	3,908	24	-	3,932	3,908	32	-	3,940	7.7%	-	-	-	43	3,984	52	1,136	3,632	4,767	-	-	-	86
2023	4,222	19	-	4,240	4,222	26	-	4,248	7.8%	-	-	-	45	4,293	53	1,188	3,907	5,096	-	-	-	71
2024	4,560	15	-	4,575	4,560	21	-	4,580	7.8%	-	-	-	48	4,628	53	1,241	4,191	5,433	-	-	-	60
2025	4,925	12	-	4,938	4,925	17	-	4,942	7.9%	-	-	-	50	4,991	54	1,295	4,484	5,779	-	-	-	51
	51,405	3,109	10	54,523	51,405	3,400	-	54,805		336	134	470	484	55,759	1,295				123	123		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
35,107	408	(546)	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,610		2025 Ending Surplus / (Deficit)		5,815	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	164	-	164	1,951
2007	1,009	286	9	1,304	1,009	112	-	1,121	0.6%	42	135	177	0	1,298	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	-	1,541	37.5%	42	-	42	-	1,583	22	22	472	494	-	116	-	1,880
2009	1,315	348	-	1,662	1,315	369	-	1,684	9.3%	42	-	42	1	1,727	65	86	664	750	-	-	-	1,740
2010	1,417	363	-	1,780	1,417	382	-	1,799	6.8%	42	-	42	3	1,845	64	151	860	1,011	-	-	-	1,557
2011	1,721	360	-	2,082	1,721	400	-	2,121	17.9%	42	-	42	6	2,169	87	238	1,061	1,299	-	-	-	1,280
2012	1,859	328	-	2,188	1,859	397	-	2,256	6.4%	42	-	42	10	2,308	120	358	1,266	1,623	-	-	-	1,021
2013	2,009	285	-	2,294	2,009	361	-	2,370	5.0%	42	-	42	14	2,426	133	490	1,476	1,966	-	-	-	793
2014	2,170	233	-	2,403	2,170	313	-	2,483	4.8%	-	-	-	20	2,503	100	590	1,691	2,281	-	-	-	605
2015	2,344	180	-	2,524	2,344	256	-	2,600	4.7%	-	-	-	24	2,624	100	690	1,912	2,602	-	-	-	459
2016	2,532	132	-	2,664	2,532	198	-	2,730	5.0%	-	-	-	28	2,758	94	784	2,138	2,922	-	-	-	354
2017	2,736	97	-	2,833	2,736	145	-	2,881	5.5%	-	-	-	31	2,912	79	863	2,371	3,234	-	-	-	276
2018	2,956	73	-	3,029	2,956	107	-	3,063	6.3%	-	-	-	35	3,097	69	932	2,610	3,542	-	-	-	218
2019	3,193	55	-	3,249	3,193	80	-	3,273	6.9%	-	-	-	37	3,311	62	994	2,856	3,849	-	-	-	175
2020	3,450	41	-	3,492	3,450	61	-	3,511	7.3%	-	-	-	40	3,551	59	1,053	3,108	4,161	-	-	-	143
2021	3,728	33	-	3,761	3,728	45	-	3,773	7.5%	-	-	-	42	3,815	55	1,108	3,368	4,476	-	-	-	118
2022	4,028	27	-	4,055	4,028	36	-	4,064	7.7%	-	-	-	44	4,108	53	1,161	3,636	4,797	-	-	-	97
2023	4,352	21	-	4,373	4,352	29	-	4,382	7.8%	-	-	-	46	4,428	55	1,216	3,912	5,128	-	-	-	81
2024	4,703	17	-	4,720	4,703	23	-	4,726	7.9%	-	-	-	49	4,775	55	1,271	4,196	5,467	-	-	-	68
2025	5,081	14	-	5,095	5,081	19	-	5,100	7.9%	-	-	-	51	5,151	56	1,327	4,489	5,815	-	-	-	58
	52,813	3,453	15	56,280	52,813	3,780	-	56,593		336	135	471	483	57,547	1,327				164	164		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
36,204	420	(572)	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,570		2025 Ending Surplus / (Deficit)		5,851	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	206	-	206	2,156
2007	1,009	286	11	1,306	1,009	113	-	1,122	0.7%	42	136	178	0	1,301	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	-	1,563	39.3%	42	12	54	-	1,617	-	0	462	462	-	162	-	2,106
2009	1,335	385	-	1,720	1,335	407	-	1,742	11.5%	42	-	42	-	1,784	65	65	654	718	-	-	-	1,952
2010	1,440	406	-	1,846	1,440	423	-	1,863	6.9%	42	-	42	3	1,907	61	126	849	975	-	-	-	1,746
2011	1,766	406	-	2,171	1,766	447	-	2,212	18.8%	42	-	42	5	2,260	88	214	1,049	1,263	-	-	-	1,434
2012	1,908	369	-	2,277	1,908	446	-	2,354	6.4%	42	-	42	9	2,405	128	342	1,254	1,596	-	-	-	1,143
2013	2,062	320	-	2,381	2,062	406	-	2,468	4.8%	42	-	42	14	2,523	142	484	1,463	1,947	-	-	-	887
2014	2,228	261	-	2,489	2,228	352	-	2,579	4.5%	-	-	-	19	2,599	110	594	1,678	2,273	-	-	-	677
2015	2,408	201	-	2,609	2,408	287	-	2,694	4.5%	-	-	-	24	2,718	109	704	1,899	2,602	-	-	-	514
2016	2,602	147	-	2,749	2,602	221	-	2,823	4.8%	-	-	-	28	2,851	102	806	2,125	2,930	-	-	-	395
2017	2,812	109	-	2,921	2,812	162	-	2,974	5.3%	-	-	-	32	3,006	86	891	2,357	3,248	-	-	-	309
2018	3,039	82	-	3,121	3,039	120	-	3,159	6.2%	-	-	-	36	3,194	74	965	2,595	3,560	-	-	-	244
2019	3,285	62	-	3,346	3,285	90	-	3,374	6.8%	-	-	-	39	3,413	67	1,031	2,840	3,871	-	-	-	195
2020	3,550	46	-	3,596	3,550	68	-	3,618	7.2%	-	-	-	41	3,659	63	1,095	3,092	4,187	-	-	-	160
2021	3,837	36	-	3,873	3,837	51	-	3,888	7.5%	-	-	-	44	3,932	58	1,153	3,351	4,504	-	-	-	132
2022	4,147	30	-	4,177	4,147	40	-	4,187	7.7%	-	-	-	46	4,233	56	1,209	3,618	4,827	-	-	-	109
2023	4,483	24	-	4,507	4,483	33	-	4,516	7.8%	-	-	-	48	4,564	57	1,266	3,893	5,160	-	-	-	91
2024	4,845	19	-	4,865	4,845	26	-	4,872	7.9%	-	-	-	51	4,922	58	1,324	4,177	5,501	-	-	-	76
2025	5,237	16	-	5,253	5,237	21	-	5,259	7.9%	-	-	-	53	5,312	58	1,382	4,469	5,851	-	-	-	64
	54,221	3,797	19	58,037	54,221	4,161	-	58,382		336	149	485	493	59,360	1,382				206	206		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Status Quo - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,336	356	(248)	1,287	-	5	(5)	-	-
	Total Economic Cost:		30,731		2025 Ending Surplus / (Deficit)		5,257	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	46	-	46	1,361
2007	1,009	233	2	1,245	1,009	109	-	1,118	0.3%	42	79	121	0	1,239	(6)	(0)	332	332	-	46	-	1,407
2008	1,030	236	-	1,265	1,030	256	-	1,286	15.0%	42	-	42	-	1,328	63	63	522	584	-	-	-	1,472
2009	1,107	246	-	1,352	1,107	259	-	1,366	6.2%	42	-	42	3	1,410	58	121	715	836	-	-	-	1,553
2010	1,190	261	-	1,451	1,190	270	-	1,460	6.9%	42	-	42	5	1,507	56	176	913	1,090	-	-	-	1,647
2011	1,279	280	-	1,559	1,279	287	-	1,566	7.3%	42	-	42	7	1,615	56	232	1,116	1,348	-	-	-	1,753
2012	1,375	301	-	1,676	1,375	308	-	1,683	7.5%	42	-	42	9	1,735	59	291	1,323	1,615	-	-	-	1,872
2013	1,478	321	-	1,799	1,478	331	-	1,809	7.5%	42	-	42	12	1,863	63	355	1,536	1,890	-	-	-	2,009
2014	1,589	342	-	1,931	1,589	353	-	1,942	7.4%	-	-	-	14	1,956	25	380	1,753	2,133	-	-	-	2,166
2015	1,708	367	-	2,075	1,708	377	-	2,085	7.3%	-	-	-	15	2,100	25	405	1,977	2,381	-	-	-	2,343
2016	1,836	396	-	2,232	1,836	404	-	2,240	7.4%	-	-	-	16	2,256	24	429	2,206	2,634	-	-	-	2,542
2017	1,974	429	-	2,403	1,974	436	-	2,409	7.6%	-	-	-	17	2,427	24	453	2,441	2,894	-	-	-	2,763
2018	2,122	465	-	2,586	2,122	472	-	2,593	7.6%	-	-	-	18	2,612	25	478	2,683	3,160	-	-	-	3,009
2019	2,281	505	-	2,786	2,281	511	-	2,792	7.7%	-	-	-	19	2,811	25	503	2,931	3,434	-	-	-	3,280
2020	2,452	550	-	3,002	2,452	555	-	3,007	7.7%	-	-	-	20	3,027	25	528	3,187	3,715	-	-	-	3,578
2021	2,636	600	-	3,236	2,636	605	-	3,241	7.8%	-	-	-	21	3,262	26	555	3,450	4,005	-	-	-	3,906
2022	2,834	655	-	3,488	2,834	660	-	3,494	7.8%	-	-	-	22	3,516	28	582	3,721	4,303	-	-	-	4,265
2023	3,046	714	-	3,761	3,046	720	-	3,766	7.8%	-	-	-	23	3,790	29	611	4,000	4,611	-	-	-	4,659
2024	3,275	780	-	4,055	3,275	786	-	4,061	7.8%	-	-	-	24	4,085	30	641	4,288	4,929	-	-	-	5,090
2025	3,520	852	-	4,373	3,520	858	-	4,379	7.8%	-	-	-	26	4,404	31	673	4,585	5,257	-	-	-	5,562
	38,731	8,755	2	47,488	38,731	8,681	-	47,412		336	79	415	275	48,101	673				46	46		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,088	388	(264)	1,478	-	5	(5)	-	-
	Total Economic Cost:		31,690		2025 Ending Surplus / (Deficit)		5,228	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	90	-	90	1,578
2007	1,009	267	5	1,281	1,009	110	-	1,119	0.4%	42	114	156	0	1,275	(6)	0	299	299	-	62	27	1,631
2008	1,030	270	1	1,301	1,030	295	-	1,324	18.4%	42	-	42	-	1,366	66	66	488	554	-	27	-	1,707
2009	1,107	282	-	1,389	1,107	297	-	1,403	6.0%	42	-	42	3	1,448	59	125	681	805	-	-	-	1,799
2010	1,190	303	-	1,493	1,190	311	-	1,500	6.9%	42	-	42	5	1,547	54	179	877	1,056	-	-	-	1,902
2011	1,279	326	-	1,605	1,279	334	-	1,613	7.5%	42	-	42	7	1,662	56	235	1,078	1,314	-	-	-	2,018
2012	1,375	348	-	1,723	1,375	359	-	1,734	7.5%	42	-	42	9	1,785	62	298	1,284	1,582	-	-	-	2,151
2013	1,478	371	-	1,849	1,478	383	-	1,861	7.3%	42	-	42	12	1,915	66	364	1,495	1,859	-	-	-	2,304
2014	1,589	394	-	1,983	1,589	408	-	1,997	7.3%	-	-	-	15	2,011	29	392	1,711	2,104	-	-	-	2,482
2015	1,708	421	-	2,130	1,708	433	-	2,141	7.2%	-	-	-	16	2,157	27	420	1,933	2,352	-	-	-	2,683
2016	1,836	454	-	2,290	1,836	464	-	2,300	7.4%	-	-	-	17	2,317	27	446	2,160	2,606	-	-	-	2,909
2017	1,974	491	-	2,465	1,974	499	-	2,473	7.5%	-	-	-	18	2,491	26	473	2,394	2,866	-	-	-	3,161
2018	2,122	532	-	2,654	2,122	540	-	2,662	7.6%	-	-	-	19	2,681	27	499	2,633	3,133	-	-	-	3,441
2019	2,281	577	-	2,858	2,281	585	-	2,866	7.7%	-	-	-	20	2,886	28	527	2,880	3,407	-	-	-	3,750
2020	2,452	629	-	3,081	2,452	635	-	3,087	7.7%	-	-	-	21	3,108	27	554	3,134	3,688	-	-	-	4,091
2021	2,636	686	-	3,322	2,636	692	-	3,328	7.8%	-	-	-	22	3,350	28	583	3,395	3,977	-	-	-	4,465
2022	2,834	748	-	3,582	2,834	754	-	3,588	7.8%	-	-	-	23	3,612	29	612	3,663	4,275	-	-	-	4,876
2023	3,046	817	-	3,863	3,046	823	-	3,869	7.8%	-	-	-	24	3,894	31	643	3,940	4,583	-	-	-	5,326
2024	3,275	892	-	4,167	3,275	898	-	4,173	7.8%	-	-	-	26	4,199	32	675	4,225	4,900	-	-	-	5,818
2025	3,520	974	-	4,495	3,520	981	-	4,501	7.9%	-	-	-	27	4,528	34	709	4,520	5,228	-	-	-	6,357
	38,731	10,005	6	48,742	38,731	9,924	-	48,655		336	114	450	286	49,391	709				90	90		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,839	407	(268)	1,673	-	6	(6)	-	-
	Total Economic Cost:		32,651		2025 Ending Surplus / (Deficit)		5,202	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	133	-	133	1,792
2007	1,009	286	7	1,303	1,009	111	-	1,120	0.5%	42	134	176	0	1,297	(6)	(0)	280	280	-	39	93	1,866
2008	1,030	304	5	1,338	1,030	320	-	1,350	20.5%	42	-	42	-	1,392	54	54	471	525	-	93	-	1,952
2009	1,107	320	-	1,426	1,107	334	-	1,441	6.8%	42	-	42	2	1,485	59	112	663	775	-	-	-	2,054
2010	1,190	347	-	1,537	1,190	352	-	1,541	7.0%	42	-	42	4	1,588	51	163	859	1,022	-	-	-	2,166
2011	1,279	375	-	1,654	1,279	382	-	1,661	7.8%	42	-	42	7	1,709	55	218	1,059	1,278	-	-	-	2,290
2012	1,375	397	-	1,772	1,375	413	-	1,787	7.6%	42	-	42	9	1,838	66	284	1,264	1,548	-	-	-	2,435
2013	1,478	422	-	1,900	1,478	437	-	1,915	7.1%	42	-	42	11	1,969	69	353	1,474	1,827	-	-	-	2,604
2014	1,589	446	-	2,035	1,589	464	-	2,053	7.2%	-	-	-	14	2,067	32	385	1,689	2,075	-	-	-	2,801
2015	1,708	477	-	2,185	1,708	491	-	2,199	7.1%	-	-	-	15	2,214	29	414	1,910	2,324	-	-	-	3,025
2016	1,836	512	-	2,349	1,836	525	-	2,361	7.4%	-	-	-	17	2,377	29	443	2,137	2,580	-	-	-	3,278
2017	1,974	553	-	2,527	1,974	564	-	2,538	7.5%	-	-	-	18	2,555	28	471	2,369	2,840	-	-	-	3,560
2018	2,122	600	-	2,722	2,122	609	-	2,731	7.6%	-	-	-	19	2,750	28	499	2,608	3,107	-	-	-	3,874
2019	2,281	650	-	2,931	2,281	660	-	2,941	7.7%	-	-	-	20	2,961	29	528	2,854	3,382	-	-	-	4,222
2020	2,452	708	-	3,160	2,452	715	-	3,168	7.7%	-	-	-	21	3,189	29	557	3,106	3,663	-	-	-	4,605
2021	2,636	772	-	3,408	2,636	779	-	3,415	7.8%	-	-	-	22	3,437	29	586	3,366	3,952	-	-	-	5,025
2022	2,834	842	-	3,676	2,834	849	-	3,683	7.8%	-	-	-	23	3,706	30	616	3,634	4,250	-	-	-	5,487
2023	3,046	919	-	3,966	3,046	926	-	3,973	7.9%	-	-	-	25	3,997	32	648	3,909	4,557	-	-	-	5,993
2024	3,275	1,004	-	4,279	3,275	1,011	-	4,286	7.9%	-	-	-	26	4,312	33	681	4,193	4,875	-	-	-	6,547
2025	3,520	1,096	-	4,617	3,520	1,104	-	4,624	7.9%	-	-	-	27	4,652	35	716	4,486	5,202	-	-	-	7,153
	38,731	11,254	12	49,997	38,731	11,170	-	49,900		336	134	470	283	50,654	716				133	133		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,585	408	(253)	1,871	-	7	(7)	-	-
	Total Economic Cost:		33,612		2025 Ending Surplus / (Deficit)		5,174	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	175	-	175	2,003
2007	1,009	286	9	1,305	1,009	112	-	1,121	0.6%	42	136	178	0	1,299	(6)	(0)	280	280	-	32	143	2,115
2008	1,030	338	7	1,375	1,030	323	-	1,353	20.6%	42	-	42	-	1,395	19	19	474	493	-	143	-	2,211
2009	1,107	358	-	1,464	1,107	372	-	1,479	9.3%	42	-	42	1	1,522	57	77	665	742	-	-	-	2,325
2010	1,190	393	-	1,583	1,190	393	-	1,583	7.1%	42	-	42	3	1,628	45	122	861	983	-	-	-	2,444
2011	1,279	427	-	1,706	1,279	433	-	1,712	8.1%	42	-	42	5	1,758	52	174	1,062	1,236	-	-	-	2,573
2012	1,375	450	-	1,825	1,375	470	-	1,845	7.8%	42	-	42	7	1,894	69	243	1,267	1,510	-	-	-	2,728
2013	1,478	476	-	1,954	1,478	495	-	1,973	7.0%	42	-	42	10	2,025	71	314	1,477	1,791	-	-	-	2,910
2014	1,589	500	-	2,089	1,589	523	-	2,112	7.1%	-	-	-	13	2,125	36	349	1,693	2,042	-	-	-	3,125
2015	1,708	534	-	2,242	1,708	550	-	2,258	6.9%	-	-	-	14	2,272	30	380	1,913	2,293	-	-	-	3,371
2016	1,836	572	-	2,408	1,836	587	-	2,423	7.3%	-	-	-	15	2,439	30	410	2,140	2,550	-	-	-	3,649
2017	1,974	617	-	2,591	1,974	629	-	2,603	7.4%	-	-	-	16	2,620	29	439	2,373	2,812	-	-	-	3,962
2018	2,122	668	-	2,790	2,122	678	-	2,800	7.6%	-	-	-	18	2,818	28	467	2,612	3,079	-	-	-	4,309
2019	2,281	724	-	3,005	2,281	735	-	3,016	7.7%	-	-	-	19	3,034	30	497	2,857	3,354	-	-	-	4,694
2020	2,452	787	-	3,240	2,452	796	-	3,248	7.7%	-	-	-	20	3,268	29	526	3,110	3,636	-	-	-	5,119
2021	2,636	858	-	3,494	2,636	866	-	3,502	7.8%	-	-	-	21	3,523	29	554	3,370	3,925	-	-	-	5,586
2022	2,834	936	-	3,770	2,834	944	-	3,778	7.9%	-	-	-	22	3,800	30	584	3,638	4,222	-	-	-	6,098
2023	3,046	1,022	-	4,068	3,046	1,030	-	4,076	7.9%	-	-	-	23	4,100	31	616	3,914	4,530	-	-	-	6,660
2024	3,275	1,116	-	4,390	3,275	1,124	-	4,399	7.9%	-	-	-	25	4,423	33	649	4,198	4,847	-	-	-	7,275
2025	3,520	1,219	-	4,739	3,520	1,227	-	4,748	7.9%	-	-	-	26	4,774	35	683	4,491	5,174	-	-	-	7,948
	38,731	12,503	17	51,251	38,731	12,413	-	51,144		336	136	472	259	51,875	683				175	175		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Some Softening, Then Steady
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,332	422	(251)	2,070	-	7	(7)	-	-
	Total Economic Cost:		34,573		2025 Ending Surplus / (Deficit)		5,149	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	990	223	-	1,212	990	125	-	1,114		42	-	42	2	1,159	(54)	6	220	226	217	-	217	2,213
2007	1,009	286	11	1,307	1,009	113	-	1,122	0.7%	42	137	179	0	1,301	(6)	0	281	281	-	25	192	2,364
2008	1,030	373	10	1,412	1,030	326	-	1,355	20.8%	42	15	57	-	1,412	-	0	461	461	-	159	33	2,471
2009	1,107	395	2	1,504	1,107	412	-	1,518	12.0%	42	-	42	-	1,560	57	57	654	711	-	33	-	2,595
2010	1,190	439	-	1,629	1,190	435	-	1,625	7.0%	42	-	42	2	1,669	40	97	850	947	-	-	-	2,722
2011	1,279	479	-	1,758	1,279	483	-	1,762	8.4%	42	-	42	4	1,808	50	147	1,050	1,196	-	-	-	2,857
2012	1,375	503	-	1,878	1,375	527	-	1,902	8.0%	42	-	42	6	1,950	72	219	1,254	1,473	-	-	-	3,021
2013	1,478	529	-	2,008	1,478	553	-	2,031	6.8%	42	-	42	9	2,082	74	293	1,464	1,757	-	-	-	3,215
2014	1,589	555	-	2,144	1,589	582	-	2,171	6.9%	-	-	-	12	2,183	39	332	1,679	2,011	-	-	-	3,448
2015	1,708	591	-	2,299	1,708	610	-	2,318	6.8%	-	-	-	13	2,332	33	365	1,899	2,264	-	-	-	3,716
2016	1,836	632	-	2,468	1,836	650	-	2,486	7.2%	-	-	-	15	2,501	33	398	2,125	2,523	-	-	-	4,021
2017	1,974	680	-	2,654	1,974	695	-	2,669	7.4%	-	-	-	16	2,685	31	428	2,357	2,786	-	-	-	4,363
2018	2,122	736	-	2,858	2,122	748	-	2,870	7.5%	-	-	-	17	2,887	29	457	2,596	3,053	-	-	-	4,744
2019	2,281	797	-	3,078	2,281	810	-	3,091	7.7%	-	-	-	18	3,109	31	488	2,841	3,329	-	-	-	5,167
2020	2,452	867	-	3,319	2,452	877	-	3,329	7.7%	-	-	-	20	3,349	30	518	3,093	3,611	-	-	-	5,634
2021	2,636	945	-	3,581	2,636	953	-	3,589	7.8%	-	-	-	21	3,610	30	548	3,352	3,900	-	-	-	6,147
2022	2,834	1,030	-	3,864	2,834	1,039	-	3,873	7.9%	-	-	-	22	3,895	31	578	3,619	4,197	-	-	-	6,710
2023	3,046	1,125	-	4,171	3,046	1,133	-	4,180	7.9%	-	-	-	23	4,203	32	610	3,894	4,504	-	-	-	7,327
2024	3,275	1,228	-	4,502	3,275	1,237	-	4,512	7.9%	-	-	-	24	4,536	34	644	4,178	4,821	-	-	-	8,004
2025	3,520	1,341	-	4,861	3,520	1,350	-	4,871	8.0%	-	-	-	26	4,897	35	679	4,470	5,149	-	-	-	8,744
	38,731	13,752	23	52,506	38,731	13,659	-	52,389		336	151	487	250	53,127	679				217	217		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,659	355	(453)	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,588		2025 Ending Surplus / (Deficit)		5,707	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	39	-	39	1,325
2007	958	233	2	1,193	958	108	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	-	1,419	33.1%	42	-	42	-	1,461	64	64	521	586	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	-	1,509	6.4%	42	-	42	3	1,554	63	128	715	843	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	-	1,611	6.7%	42	-	42	5	1,658	69	197	913	1,110	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	-	1,853	15.0%	42	-	42	8	1,903	80	277	1,116	1,393	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	-	1,971	6.4%	42	-	42	11	2,024	94	372	1,323	1,695	-	-	-	678
2013	1,849	188	-	2,037	1,849	237	-	2,087	5.9%	42	-	42	15	2,144	106	478	1,535	2,014	-	-	-	527
2014	1,996	155	-	2,151	1,996	207	-	2,202	5.5%	-	-	-	19	2,221	70	549	1,753	2,302	-	-	-	402
2015	2,153	119	-	2,272	2,153	171	-	2,324	5.5%	-	-	-	22	2,346	74	622	1,976	2,599	-	-	-	306
2016	2,323	88	-	2,411	2,323	131	-	2,454	5.6%	-	-	-	25	2,479	68	690	2,206	2,896	-	-	-	235
2017	2,507	65	-	2,572	2,507	96	-	2,604	6.1%	-	-	-	28	2,631	59	749	2,441	3,190	-	-	-	183
2018	2,706	48	-	2,754	2,706	72	-	2,777	6.7%	-	-	-	30	2,807	54	803	2,683	3,486	-	-	-	145
2019	2,920	37	-	2,956	2,920	53	-	2,972	7.0%	-	-	-	32	3,005	48	851	2,931	3,782	-	-	-	117
2020	3,151	28	-	3,179	3,151	40	-	3,191	7.4%	-	-	-	34	3,225	47	898	3,187	4,085	-	-	-	95
2021	3,400	22	-	3,422	3,400	31	-	3,431	7.5%	-	-	-	36	3,467	45	942	3,450	4,392	-	-	-	78
2022	3,670	18	-	3,688	3,670	24	-	3,694	7.7%	-	-	-	38	3,731	44	986	3,721	4,707	-	-	-	65
2023	3,960	14	-	3,974	3,960	20	-	3,980	7.7%	-	-	-	39	4,019	45	1,031	4,000	5,031	-	-	-	54
2024	4,274	11	-	4,285	4,274	15	-	4,290	7.8%	-	-	-	41	4,331	45	1,077	4,288	5,365	-	-	-	46
2025	4,613	9	-	4,622	4,613	12	-	4,625	7.8%	-	-	-	43	4,668	46	1,123	4,584	5,707	-	-	-	39
	48,438	2,419	2	50,859	48,438	2,639	-	51,077		336	79	415	431	51,923	1,123				39	39		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,763	388	(499)	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,546		2025 Ending Surplus / (Deficit)		5,741	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	82	-	82	1,537
2007	958	267	4	1,229	958	109	-	1,067	5.1%	42	113	155	0	1,223	(6)	(0)	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	-	1,475	38.2%	42	-	42	-	1,517	68	68	487	555	-	6	-	1,442
2009	1,273	274	-	1,547	1,273	294	-	1,567	6.2%	42	-	42	3	1,612	65	133	680	812	-	-	-	1,331
2010	1,371	279	-	1,651	1,371	302	-	1,673	6.7%	42	-	42	5	1,720	69	202	876	1,078	-	-	-	1,193
2011	1,633	273	-	1,906	1,633	307	-	1,940	16.0%	42	-	42	8	1,990	84	286	1,077	1,364	-	-	-	983
2012	1,763	251	-	2,014	1,763	301	-	2,063	6.3%	42	-	42	11	2,117	103	389	1,283	1,672	-	-	-	786
2013	1,903	218	-	2,121	1,903	276	-	2,179	5.6%	42	-	42	16	2,236	115	505	1,494	1,999	-	-	-	611
2014	2,054	180	-	2,233	2,054	240	-	2,294	5.3%	-	-	-	20	2,314	80	585	1,710	2,295	-	-	-	466
2015	2,217	138	-	2,355	2,217	198	-	2,415	5.3%	-	-	-	23	2,438	83	668	1,931	2,600	-	-	-	354
2016	2,393	102	-	2,495	2,393	152	-	2,545	5.4%	-	-	-	27	2,572	77	745	2,159	2,904	-	-	-	273
2017	2,583	75	-	2,659	2,583	112	-	2,695	5.9%	-	-	-	30	2,725	66	812	2,392	3,204	-	-	-	213
2018	2,789	56	-	2,845	2,789	83	-	2,872	6.6%	-	-	-	32	2,904	60	871	2,632	3,503	-	-	-	168
2019	3,011	42	-	3,053	3,011	61	-	3,072	7.0%	-	-	-	35	3,107	54	925	2,878	3,803	-	-	-	135
2020	3,251	32	-	3,283	3,251	47	-	3,297	7.3%	-	-	-	37	3,334	52	976	3,132	4,108	-	-	-	110
2021	3,510	25	-	3,535	3,510	35	-	3,545	7.5%	-	-	-	39	3,584	49	1,025	3,393	4,418	-	-	-	91
2022	3,789	21	-	3,810	3,789	28	-	3,817	7.7%	-	-	-	41	3,858	48	1,074	3,662	4,735	-	-	-	75
2023	4,091	16	-	4,107	4,091	23	-	4,114	7.8%	-	-	-	43	4,157	49	1,123	3,938	5,061	-	-	-	63
2024	4,417	13	-	4,430	4,417	18	-	4,435	7.8%	-	-	-	45	4,480	50	1,173	4,224	5,396	-	-	-	53
2025	4,769	11	-	4,780	4,769	14	-	4,783	7.9%	-	-	-	47	4,830	51	1,223	4,518	5,741	-	-	-	45
	49,846	2,764	5	52,615	49,846	3,018	-	52,864		336	113	449	465	53,779	1,223				82	82		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,866	407	(532)	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,507		2025 Ending Surplus / (Deficit)		5,779	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	123	-	123	1,746
2007	958	286	6	1,250	958	111	-	1,068	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	-	1,519	42.2%	42	-	42	-	1,561	56	56	470	526	-	69	-	1,653
2009	1,294	311	-	1,604	1,294	332	-	1,625	7.0%	42	-	42	2	1,670	65	121	662	783	-	-	-	1,528
2010	1,394	320	-	1,715	1,394	342	-	1,736	6.8%	42	-	42	5	1,783	68	189	857	1,047	-	-	-	1,369
2011	1,677	315	-	1,992	1,677	352	-	2,030	16.9%	42	-	42	8	2,079	87	276	1,058	1,334	-	-	-	1,126
2012	1,811	288	-	2,099	1,811	347	-	2,158	6.3%	42	-	42	11	2,211	112	387	1,263	1,650	-	-	-	899
2013	1,956	250	-	2,206	1,956	317	-	2,273	5.3%	42	-	42	15	2,330	124	512	1,473	1,984	-	-	-	699
2014	2,112	206	-	2,317	2,112	275	-	2,387	5.0%	-	-	-	20	2,408	90	602	1,688	2,290	-	-	-	533
2015	2,280	158	-	2,439	2,280	226	-	2,506	5.0%	-	-	-	24	2,531	92	694	1,909	2,602	-	-	-	405
2016	2,463	116	-	2,579	2,463	174	-	2,637	5.2%	-	-	-	28	2,665	86	780	2,135	2,915	-	-	-	312
2017	2,660	86	-	2,746	2,660	128	-	2,787	5.7%	-	-	-	31	2,818	73	852	2,368	3,220	-	-	-	243
2018	2,872	64	-	2,936	2,872	95	-	2,967	6.4%	-	-	-	34	3,001	65	917	2,606	3,523	-	-	-	193
2019	3,102	49	-	3,151	3,102	70	-	3,173	6.9%	-	-	-	37	3,209	58	976	2,852	3,827	-	-	-	154
2020	3,350	37	-	3,387	3,350	53	-	3,404	7.3%	-	-	-	39	3,443	56	1,032	3,104	4,136	-	-	-	126
2021	3,619	29	-	3,648	3,619	40	-	3,659	7.5%	-	-	-	41	3,700	53	1,084	3,364	4,448	-	-	-	104
2022	3,908	24	-	3,932	3,908	32	-	3,940	7.7%	-	-	-	43	3,984	52	1,136	3,632	4,767	-	-	-	86
2023	4,222	19	-	4,240	4,222	26	-	4,248	7.8%	-	-	-	45	4,293	53	1,188	3,907	5,096	-	-	-	71
2024	4,560	15	-	4,575	4,560	21	-	4,580	7.8%	-	-	-	48	4,628	53	1,241	4,191	5,433	-	-	-	60
2025	4,925	12	-	4,938	4,925	17	-	4,942	7.9%	-	-	-	50	4,991	54	1,295	4,484	5,779	-	-	-	51
	51,254	3,109	10	54,373	51,254	3,400	-	54,655		336	134	470	484	55,609	1,295				123	123		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
34,964	408	(546)	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,467		2025 Ending Surplus / (Deficit)		5,815	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	164	-	164	1,951
2007	958	286	9	1,253	958	112	-	1,069	5.3%	42	135	177	0	1,247	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	-	1,541	44.1%	42	-	42	-	1,583	22	22	472	494	-	116	-	1,880
2009	1,315	348	-	1,662	1,315	369	-	1,684	9.3%	42	-	42	1	1,727	65	86	664	750	-	-	-	1,740
2010	1,417	363	-	1,780	1,417	382	-	1,799	6.8%	42	-	42	3	1,845	64	151	860	1,011	-	-	-	1,557
2011	1,721	360	-	2,082	1,721	400	-	2,121	17.9%	42	-	42	6	2,169	87	238	1,061	1,299	-	-	-	1,280
2012	1,859	328	-	2,188	1,859	397	-	2,256	6.4%	42	-	42	10	2,308	120	358	1,266	1,623	-	-	-	1,021
2013	2,009	285	-	2,294	2,009	361	-	2,370	5.0%	42	-	42	14	2,426	133	490	1,476	1,966	-	-	-	793
2014	2,170	233	-	2,403	2,170	313	-	2,483	4.8%	-	-	-	20	2,503	100	590	1,691	2,281	-	-	-	605
2015	2,344	180	-	2,524	2,344	256	-	2,600	4.7%	-	-	-	24	2,624	100	690	1,912	2,602	-	-	-	459
2016	2,532	132	-	2,664	2,532	198	-	2,730	5.0%	-	-	-	28	2,758	94	784	2,138	2,922	-	-	-	354
2017	2,736	97	-	2,833	2,736	145	-	2,881	5.5%	-	-	-	31	2,912	79	863	2,371	3,234	-	-	-	276
2018	2,956	73	-	3,029	2,956	107	-	3,063	6.3%	-	-	-	35	3,097	69	932	2,610	3,542	-	-	-	218
2019	3,193	55	-	3,249	3,193	80	-	3,273	6.9%	-	-	-	37	3,311	62	994	2,856	3,849	-	-	-	175
2020	3,450	41	-	3,492	3,450	61	-	3,511	7.3%	-	-	-	40	3,551	59	1,053	3,108	4,161	-	-	-	143
2021	3,728	33	-	3,761	3,728	45	-	3,773	7.5%	-	-	-	42	3,815	55	1,108	3,368	4,476	-	-	-	118
2022	4,028	27	-	4,055	4,028	36	-	4,064	7.7%	-	-	-	44	4,108	53	1,161	3,636	4,797	-	-	-	97
2023	4,352	21	-	4,373	4,352	29	-	4,382	7.8%	-	-	-	46	4,428	55	1,216	3,912	5,128	-	-	-	81
2024	4,703	17	-	4,720	4,703	23	-	4,726	7.9%	-	-	-	49	4,775	55	1,271	4,196	5,467	-	-	-	68
2025	5,081	14	-	5,095	5,081	19	-	5,100	7.9%	-	-	-	51	5,151	56	1,327	4,489	5,815	-	-	-	58
	52,662	3,453	15	56,130	52,662	3,780	-	56,443		336	135	471	483	57,397	1,327				164	164		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
36,062	420	(572)	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,428		2025 Ending Surplus / (Deficit)		5,851	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	206	-	206	2,156
2007	958	286	11	1,255	958	113	-	1,070	5.4%	42	136	178	0	1,249	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	-	1,563	46.0%	42	12	54	-	1,617	-	0	462	462	-	162	-	2,106
2009	1,335	385	-	1,720	1,335	407	-	1,742	11.5%	42	-	42	-	1,784	65	65	654	718	-	-	-	1,952
2010	1,440	406	-	1,846	1,440	423	-	1,863	6.9%	42	-	42	3	1,907	61	126	849	975	-	-	-	1,746
2011	1,766	406	-	2,171	1,766	447	-	2,212	18.8%	42	-	42	5	2,260	88	214	1,049	1,263	-	-	-	1,434
2012	1,908	369	-	2,277	1,908	446	-	2,354	6.4%	42	-	42	9	2,405	128	342	1,254	1,596	-	-	-	1,143
2013	2,062	320	-	2,381	2,062	406	-	2,468	4.8%	42	-	42	14	2,523	142	484	1,463	1,947	-	-	-	887
2014	2,228	261	-	2,489	2,228	352	-	2,579	4.5%	-	-	-	19	2,599	110	594	1,678	2,273	-	-	-	677
2015	2,408	201	-	2,609	2,408	287	-	2,694	4.5%	-	-	-	24	2,718	109	704	1,899	2,602	-	-	-	514
2016	2,602	147	-	2,749	2,602	221	-	2,823	4.8%	-	-	-	28	2,851	102	806	2,125	2,930	-	-	-	395
2017	2,812	109	-	2,921	2,812	162	-	2,974	5.3%	-	-	-	32	3,006	86	891	2,357	3,248	-	-	-	309
2018	3,039	82	-	3,121	3,039	120	-	3,159	6.2%	-	-	-	36	3,194	74	965	2,595	3,560	-	-	-	244
2019	3,285	62	-	3,346	3,285	90	-	3,374	6.8%	-	-	-	39	3,413	67	1,031	2,840	3,871	-	-	-	195
2020	3,550	46	-	3,596	3,550	68	-	3,618	7.2%	-	-	-	41	3,659	63	1,095	3,092	4,187	-	-	-	160
2021	3,837	36	-	3,873	3,837	51	-	3,888	7.5%	-	-	-	44	3,932	58	1,153	3,351	4,504	-	-	-	132
2022	4,147	30	-	4,177	4,147	40	-	4,187	7.7%	-	-	-	46	4,233	56	1,209	3,618	4,827	-	-	-	109
2023	4,483	24	-	4,507	4,483	33	-	4,516	7.8%	-	-	-	48	4,564	57	1,266	3,893	5,160	-	-	-	91
2024	4,845	19	-	4,865	4,845	26	-	4,872	7.9%	-	-	-	51	4,922	58	1,324	4,177	5,501	-	-	-	76
2025	5,237	16	-	5,253	5,237	21	-	5,259	7.9%	-	-	-	53	5,312	58	1,382	4,469	5,851	-	-	-	64
	54,071	3,797	19	57,887	54,071	4,161	-	58,231		336	149	485	493	59,209	1,382				206	206		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Status Quo - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,193	356	(248)	1,287	-	5	(5)	-	-
	Total Economic Cost:		30,588		2025 Ending Surplus / (Deficit)		5,257	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	46	-	46	1,361
2007	958	233	2	1,193	958	109	-	1,066	5.0%	42	79	121	0	1,187	(6)	(0)	332	332	-	46	-	1,407
2008	1,030	236	-	1,265	1,030	256	-	1,286	20.6%	42	-	42	-	1,328	63	63	522	584	-	-	-	1,472
2009	1,107	246	-	1,352	1,107	259	-	1,366	6.2%	42	-	42	3	1,410	58	121	715	836	-	-	-	1,553
2010	1,190	261	-	1,451	1,190	270	-	1,460	6.9%	42	-	42	5	1,507	56	176	913	1,090	-	-	-	1,647
2011	1,279	280	-	1,559	1,279	287	-	1,566	7.3%	42	-	42	7	1,615	56	232	1,116	1,348	-	-	-	1,753
2012	1,375	301	-	1,676	1,375	308	-	1,683	7.5%	42	-	42	9	1,735	59	291	1,323	1,615	-	-	-	1,872
2013	1,478	321	-	1,799	1,478	331	-	1,809	7.5%	42	-	42	12	1,863	63	355	1,536	1,890	-	-	-	2,009
2014	1,589	342	-	1,931	1,589	353	-	1,942	7.4%	-	-	-	14	1,956	25	380	1,753	2,133	-	-	-	2,166
2015	1,708	367	-	2,075	1,708	377	-	2,085	7.3%	-	-	-	15	2,100	25	405	1,977	2,381	-	-	-	2,343
2016	1,836	396	-	2,232	1,836	404	-	2,240	7.4%	-	-	-	16	2,256	24	429	2,206	2,634	-	-	-	2,542
2017	1,974	429	-	2,403	1,974	436	-	2,409	7.6%	-	-	-	17	2,427	24	453	2,441	2,894	-	-	-	2,763
2018	2,122	465	-	2,586	2,122	472	-	2,593	7.6%	-	-	-	18	2,612	25	478	2,683	3,160	-	-	-	3,009
2019	2,281	505	-	2,786	2,281	511	-	2,792	7.7%	-	-	-	19	2,811	25	503	2,931	3,434	-	-	-	3,280
2020	2,452	550	-	3,002	2,452	555	-	3,007	7.7%	-	-	-	20	3,027	25	528	3,187	3,715	-	-	-	3,578
2021	2,636	600	-	3,236	2,636	605	-	3,241	7.8%	-	-	-	21	3,262	26	555	3,450	4,005	-	-	-	3,906
2022	2,834	655	-	3,488	2,834	660	-	3,494	7.8%	-	-	-	22	3,516	28	582	3,721	4,303	-	-	-	4,265
2023	3,046	714	-	3,761	3,046	720	-	3,766	7.8%	-	-	-	23	3,790	29	611	4,000	4,611	-	-	-	4,659
2024	3,275	780	-	4,055	3,275	786	-	4,061	7.8%	-	-	-	24	4,085	30	641	4,288	4,929	-	-	-	5,090
2025	3,520	852	-	4,373	3,520	858	-	4,379	7.8%	-	-	-	26	4,404	31	673	4,585	5,257	-	-	-	5,562
	38,581	8,755	2	47,338	38,581	8,681	-	47,261		336	79	415	275	47,951	673				46	46		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,946	388	(264)	1,478	-	5	(5)	-	-
	Total Economic Cost:		31,547		2025 Ending Surplus / (Deficit)		5,228	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	90	-	90	1,578
2007	958	267	5	1,229	958	110	-	1,067	5.1%	42	114	156	0	1,223	(6)	(0)	299	299	-	62	27	1,631
2008	1,030	270	1	1,301	1,030	295	-	1,324	24.1%	42	-	42	-	1,366	66	66	488	554	-	27	-	1,707
2009	1,107	282	-	1,389	1,107	297	-	1,403	6.0%	42	-	42	3	1,448	59	125	681	805	-	-	-	1,799
2010	1,190	303	-	1,493	1,190	311	-	1,500	6.9%	42	-	42	5	1,547	54	179	877	1,056	-	-	-	1,902
2011	1,279	326	-	1,605	1,279	334	-	1,613	7.5%	42	-	42	7	1,662	56	235	1,078	1,314	-	-	-	2,018
2012	1,375	348	-	1,723	1,375	359	-	1,734	7.5%	42	-	42	9	1,785	62	298	1,284	1,582	-	-	-	2,151
2013	1,478	371	-	1,849	1,478	383	-	1,861	7.3%	42	-	42	12	1,915	66	364	1,495	1,859	-	-	-	2,304
2014	1,589	394	-	1,983	1,589	408	-	1,997	7.3%	-	-	-	15	2,011	29	392	1,711	2,104	-	-	-	2,482
2015	1,708	421	-	2,130	1,708	433	-	2,141	7.2%	-	-	-	16	2,157	27	420	1,933	2,352	-	-	-	2,683
2016	1,836	454	-	2,290	1,836	464	-	2,300	7.4%	-	-	-	17	2,317	27	446	2,160	2,606	-	-	-	2,909
2017	1,974	491	-	2,465	1,974	499	-	2,473	7.5%	-	-	-	18	2,491	26	473	2,394	2,866	-	-	-	3,161
2018	2,122	532	-	2,654	2,122	540	-	2,662	7.6%	-	-	-	19	2,681	27	499	2,633	3,133	-	-	-	3,441
2019	2,281	577	-	2,858	2,281	585	-	2,866	7.7%	-	-	-	20	2,886	28	527	2,880	3,407	-	-	-	3,750
2020	2,452	629	-	3,081	2,452	635	-	3,087	7.7%	-	-	-	21	3,108	27	554	3,134	3,688	-	-	-	4,091
2021	2,636	686	-	3,322	2,636	692	-	3,328	7.8%	-	-	-	22	3,350	28	583	3,395	3,977	-	-	-	4,465
2022	2,834	748	-	3,582	2,834	754	-	3,588	7.8%	-	-	-	23	3,612	29	612	3,663	4,275	-	-	-	4,876
2023	3,046	817	-	3,863	3,046	823	-	3,869	7.8%	-	-	-	24	3,894	31	643	3,940	4,583	-	-	-	5,326
2024	3,275	892	-	4,167	3,275	898	-	4,173	7.8%	-	-	-	26	4,199	32	675	4,225	4,900	-	-	-	5,818
2025	3,520	974	-	4,495	3,520	981	-	4,501	7.9%	-	-	-	27	4,528	34	709	4,520	5,228	-	-	-	6,357
	38,581	10,005	6	48,591	38,581	9,924	-	48,505		336	114	450	286	49,241	709				90	90		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,697	407	(268)	1,673	-	6	(6)	-	-
	Total Economic Cost:		32,509		2025 Ending Surplus / (Deficit)		5,202	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	133	-	133	1,792
2007	958	286	7	1,251	958	111	-	1,069	5.2%	42	134	176	0	1,245	(6)	(0)	280	280	-	39	93	1,866
2008	1,030	304	5	1,338	1,030	320	-	1,350	26.3%	42	-	42	-	1,392	54	54	471	525	-	93	-	1,952
2009	1,107	320	-	1,426	1,107	334	-	1,441	6.8%	42	-	42	2	1,485	59	112	663	775	-	-	-	2,054
2010	1,190	347	-	1,537	1,190	352	-	1,541	7.0%	42	-	42	4	1,588	51	163	859	1,022	-	-	-	2,166
2011	1,279	375	-	1,654	1,279	382	-	1,661	7.8%	42	-	42	7	1,709	55	218	1,059	1,278	-	-	-	2,290
2012	1,375	397	-	1,772	1,375	413	-	1,787	7.6%	42	-	42	9	1,838	66	284	1,264	1,548	-	-	-	2,435
2013	1,478	422	-	1,900	1,478	437	-	1,915	7.1%	42	-	42	11	1,969	69	353	1,474	1,827	-	-	-	2,604
2014	1,589	446	-	2,035	1,589	464	-	2,053	7.2%	-	-	-	14	2,067	32	385	1,689	2,075	-	-	-	2,801
2015	1,708	477	-	2,185	1,708	491	-	2,199	7.1%	-	-	-	15	2,214	29	414	1,910	2,324	-	-	-	3,025
2016	1,836	512	-	2,349	1,836	525	-	2,361	7.4%	-	-	-	17	2,377	29	443	2,137	2,580	-	-	-	3,278
2017	1,974	553	-	2,527	1,974	564	-	2,538	7.5%	-	-	-	18	2,555	28	471	2,369	2,840	-	-	-	3,560
2018	2,122	600	-	2,722	2,122	609	-	2,731	7.6%	-	-	-	19	2,750	28	499	2,608	3,107	-	-	-	3,874
2019	2,281	650	-	2,931	2,281	660	-	2,941	7.7%	-	-	-	20	2,961	29	528	2,854	3,382	-	-	-	4,222
2020	2,452	708	-	3,160	2,452	715	-	3,168	7.7%	-	-	-	21	3,189	29	557	3,106	3,663	-	-	-	4,605
2021	2,636	772	-	3,408	2,636	779	-	3,415	7.8%	-	-	-	22	3,437	29	586	3,366	3,952	-	-	-	5,025
2022	2,834	842	-	3,676	2,834	849	-	3,683	7.8%	-	-	-	23	3,706	30	616	3,634	4,250	-	-	-	5,487
2023	3,046	919	-	3,966	3,046	926	-	3,973	7.9%	-	-	-	25	3,997	32	648	3,909	4,557	-	-	-	5,993
2024	3,275	1,004	-	4,279	3,275	1,011	-	4,286	7.9%	-	-	-	26	4,312	33	681	4,193	4,875	-	-	-	6,547
2025	3,520	1,096	-	4,617	3,520	1,104	-	4,624	7.9%	-	-	-	27	4,652	35	716	4,486	5,202	-	-	-	7,153
	38,581	11,254	12	49,847	38,581	11,170	-	49,750		336	134	470	283	50,504	716				133	133		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,442	408	(253)	1,871	-	7	(7)	-	-
	Total Economic Cost:		33,469		2025 Ending Surplus / (Deficit)		5,174	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	175	-	175	2,003
2007	958	286	9	1,253	958	112	-	1,070	5.3%	42	136	178	0	1,247	(6)	0	280	280	-	32	143	2,115
2008	1,030	338	7	1,375	1,030	323	-	1,353	26.5%	42	-	42	-	1,395	19	19	474	493	-	143	-	2,211
2009	1,107	358	-	1,464	1,107	372	-	1,479	9.3%	42	-	42	1	1,522	57	77	665	742	-	-	-	2,325
2010	1,190	393	-	1,583	1,190	393	-	1,583	7.1%	42	-	42	3	1,628	45	122	861	983	-	-	-	2,444
2011	1,279	427	-	1,706	1,279	433	-	1,712	8.1%	42	-	42	5	1,758	52	174	1,062	1,236	-	-	-	2,573
2012	1,375	450	-	1,825	1,375	470	-	1,845	7.8%	42	-	42	7	1,894	69	243	1,267	1,510	-	-	-	2,728
2013	1,478	476	-	1,954	1,478	495	-	1,973	7.0%	42	-	42	10	2,025	71	314	1,477	1,791	-	-	-	2,910
2014	1,589	500	-	2,089	1,589	523	-	2,112	7.1%	-	-	-	13	2,125	36	349	1,693	2,042	-	-	-	3,125
2015	1,708	534	-	2,242	1,708	550	-	2,258	6.9%	-	-	-	14	2,272	30	380	1,913	2,293	-	-	-	3,371
2016	1,836	572	-	2,408	1,836	587	-	2,423	7.3%	-	-	-	15	2,439	30	410	2,140	2,550	-	-	-	3,649
2017	1,974	617	-	2,591	1,974	629	-	2,603	7.4%	-	-	-	16	2,620	29	439	2,373	2,812	-	-	-	3,962
2018	2,122	668	-	2,790	2,122	678	-	2,800	7.6%	-	-	-	18	2,818	28	467	2,612	3,079	-	-	-	4,309
2019	2,281	724	-	3,005	2,281	735	-	3,016	7.7%	-	-	-	19	3,034	30	497	2,857	3,354	-	-	-	4,694
2020	2,452	787	-	3,240	2,452	796	-	3,248	7.7%	-	-	-	20	3,268	29	526	3,110	3,636	-	-	-	5,119
2021	2,636	858	-	3,494	2,636	866	-	3,502	7.8%	-	-	-	21	3,523	29	554	3,370	3,925	-	-	-	5,586
2022	2,834	936	-	3,770	2,834	944	-	3,778	7.9%	-	-	-	22	3,800	30	584	3,638	4,222	-	-	-	6,098
2023	3,046	1,022	-	4,068	3,046	1,030	-	4,076	7.9%	-	-	-	23	4,100	31	616	3,914	4,530	-	-	-	6,660
2024	3,275	1,116	-	4,390	3,275	1,124	-	4,399	7.9%	-	-	-	25	4,423	33	649	4,198	4,847	-	-	-	7,275
2025	3,520	1,219	-	4,739	3,520	1,227	-	4,748	7.9%	-	-	-	26	4,774	35	683	4,491	5,174	-	-	-	7,948
	38,581	12,503	17	51,101	38,581	12,413	-	50,994		336	136	472	259	51,725	683				175	175		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	Steady Trend
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,190	422	(251)	2,070	-	7	(7)	-	-
	Total Economic Cost:		34,431		2025 Ending Surplus / (Deficit)		5,149	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	891	223	-	1,114	891	125	-	1,016		42	-	42	2	1,060	(54)	6	220	226	217	-	217	2,213
2007	958	286	11	1,255	958	113	-	1,071	5.4%	42	137	179	0	1,250	(6)	0	281	281	-	25	192	2,364
2008	1,030	373	10	1,412	1,030	326	-	1,355	26.6%	42	15	57	-	1,412	-	0	461	461	-	159	33	2,471
2009	1,107	395	2	1,504	1,107	412	-	1,518	12.0%	42	-	42	-	1,560	57	57	654	711	-	33	-	2,595
2010	1,190	439	-	1,629	1,190	435	-	1,625	7.0%	42	-	42	2	1,669	40	97	850	947	-	-	-	2,722
2011	1,279	479	-	1,758	1,279	483	-	1,762	8.4%	42	-	42	4	1,808	50	147	1,050	1,196	-	-	-	2,857
2012	1,375	503	-	1,878	1,375	527	-	1,902	8.0%	42	-	42	6	1,950	72	219	1,254	1,473	-	-	-	3,021
2013	1,478	529	-	2,008	1,478	553	-	2,031	6.8%	42	-	42	9	2,082	74	293	1,464	1,757	-	-	-	3,215
2014	1,589	555	-	2,144	1,589	582	-	2,171	6.9%	-	-	-	12	2,183	39	332	1,679	2,011	-	-	-	3,448
2015	1,708	591	-	2,299	1,708	610	-	2,318	6.8%	-	-	-	13	2,332	33	365	1,899	2,264	-	-	-	3,716
2016	1,836	632	-	2,468	1,836	650	-	2,486	7.2%	-	-	-	15	2,501	33	398	2,125	2,523	-	-	-	4,021
2017	1,974	680	-	2,654	1,974	695	-	2,669	7.4%	-	-	-	16	2,685	31	428	2,357	2,786	-	-	-	4,363
2018	2,122	736	-	2,858	2,122	748	-	2,870	7.5%	-	-	-	17	2,887	29	457	2,596	3,053	-	-	-	4,744
2019	2,281	797	-	3,078	2,281	810	-	3,091	7.7%	-	-	-	18	3,109	31	488	2,841	3,329	-	-	-	5,167
2020	2,452	867	-	3,319	2,452	877	-	3,329	7.7%	-	-	-	20	3,349	30	518	3,093	3,611	-	-	-	5,634
2021	2,636	945	-	3,581	2,636	953	-	3,589	7.8%	-	-	-	21	3,610	30	548	3,352	3,900	-	-	-	6,147
2022	2,834	1,030	-	3,864	2,834	1,039	-	3,873	7.9%	-	-	-	22	3,895	31	578	3,619	4,197	-	-	-	6,710
2023	3,046	1,125	-	4,171	3,046	1,133	-	4,180	7.9%	-	-	-	23	4,203	32	610	3,894	4,504	-	-	-	7,327
2024	3,275	1,228	-	4,502	3,275	1,237	-	4,512	7.9%	-	-	-	24	4,536	34	644	4,178	4,821	-	-	-	8,004
2025	3,520	1,341	-	4,861	3,520	1,350	-	4,871	8.0%	-	-	-	26	4,897	35	679	4,470	5,149	-	-	-	8,744
	38,581	13,752	23	52,356	38,581	13,659	-	52,239		336	151	487	250	52,976	679				217	217		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,398	355	(453)	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,327		2025 Ending Surplus / (Deficit)		5,707	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	39	-	39	1,325
2007	963	233	2	1,198	963	108	-	1,072	0.2%	42	79	121	0	1,192	(6)	0	332	332	-	39	-	1,311
2008	1,110	234	-	1,343	1,110	256	-	1,366	27.4%	42	-	42	-	1,408	64	64	521	586	-	-	-	1,241
2009	1,134	238	-	1,372	1,134	257	-	1,391	1.8%	42	-	42	3	1,436	63	128	715	843	-	-	-	1,144
2010	1,159	240	-	1,399	1,159	262	-	1,421	2.2%	42	-	42	5	1,468	69	197	913	1,110	-	-	-	1,027
2011	1,295	234	-	1,529	1,295	264	-	1,559	9.7%	42	-	42	8	1,609	80	277	1,116	1,393	-	-	-	847
2012	1,430	216	-	1,646	1,430	257	-	1,687	8.2%	42	-	42	11	1,740	94	372	1,323	1,695	-	-	-	678
2013	1,794	188	-	1,982	1,794	237	-	2,031	20.4%	42	-	42	15	2,088	106	478	1,535	2,014	-	-	-	527
2014	2,251	155	-	2,406	2,251	207	-	2,457	21.0%	-	-	-	19	2,476	70	549	1,753	2,302	-	-	-	402
2015	2,485	119	-	2,604	2,485	171	-	2,656	8.1%	-	-	-	22	2,678	74	622	1,976	2,599	-	-	-	306
2016	2,544	88	-	2,632	2,544	131	-	2,675	0.7%	-	-	-	25	2,700	68	690	2,206	2,896	-	-	-	235
2017	2,605	65	-	2,670	2,605	96	-	2,701	1.0%	-	-	-	28	2,729	59	749	2,441	3,190	-	-	-	183
2018	2,667	48	-	2,715	2,667	72	-	2,739	1.4%	-	-	-	30	2,769	54	803	2,683	3,486	-	-	-	145
2019	2,731	37	-	2,768	2,731	53	-	2,784	1.6%	-	-	-	32	2,816	48	851	2,931	3,782	-	-	-	117
2020	2,797	28	-	2,824	2,797	40	-	2,837	1.9%	-	-	-	34	2,871	47	898	3,187	4,085	-	-	-	95
2021	2,864	22	-	2,885	2,864	31	-	2,894	2.0%	-	-	-	36	2,930	45	942	3,450	4,392	-	-	-	78
2022	3,162	18	-	3,180	3,162	24	-	3,186	10.1%	-	-	-	38	3,224	44	986	3,721	4,707	-	-	-	65
2023	3,968	14	-	3,982	3,968	20	-	3,988	25.2%	-	-	-	39	4,027	45	1,031	4,000	5,031	-	-	-	54
2024	4,980	11	-	4,991	4,980	15	-	4,995	25.3%	-	-	-	41	5,037	45	1,077	4,288	5,365	-	-	-	46
2025	5,500	9	-	5,509	5,500	12	-	5,512	10.3%	-	-	-	43	5,555	46	1,123	4,584	5,707	-	-	-	39
	48,383	2,419	2	50,804	48,383	2,639	-	51,022		336	79	415	431	51,868	1,123				39	39		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,498	388	(499)	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,281		2025 Ending Surplus / (Deficit)		5,741	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	82	-	82	1,537
2007	963	267	4	1,234	963	109	-	1,073	0.3%	42	113	155	0	1,228	(6)	(0)	299	299	-	76	6	1,522
2008	1,128	268	0	1,396	1,128	294	-	1,421	32.5%	42	-	42	-	1,463	68	68	487	555	-	6	-	1,442
2009	1,153	274	-	1,427	1,153	294	-	1,447	1.8%	42	-	42	3	1,492	65	133	680	812	-	-	-	1,331
2010	1,178	279	-	1,458	1,178	302	-	1,480	2.3%	42	-	42	5	1,527	69	202	876	1,078	-	-	-	1,193
2011	1,331	273	-	1,604	1,331	307	-	1,639	10.7%	42	-	42	8	1,689	84	286	1,077	1,364	-	-	-	983
2012	1,470	251	-	1,721	1,470	301	-	1,771	8.1%	42	-	42	11	1,824	103	389	1,283	1,672	-	-	-	786
2013	1,845	218	-	2,064	1,845	276	-	2,121	19.8%	42	-	42	16	2,179	115	505	1,494	1,999	-	-	-	611
2014	2,316	180	-	2,496	2,316	240	-	2,556	20.5%	-	-	-	20	2,576	80	585	1,710	2,295	-	-	-	466
2015	2,558	138	-	2,697	2,558	198	-	2,756	7.8%	-	-	-	23	2,780	83	668	1,931	2,600	-	-	-	354
2016	2,621	102	-	2,722	2,621	152	-	2,772	0.6%	-	-	-	27	2,799	77	745	2,159	2,904	-	-	-	273
2017	2,684	75	-	2,760	2,684	112	-	2,796	0.8%	-	-	-	30	2,826	66	812	2,392	3,204	-	-	-	213
2018	2,749	56	-	2,805	2,749	83	-	2,832	1.3%	-	-	-	32	2,865	60	871	2,632	3,503	-	-	-	168
2019	2,816	42	-	2,859	2,816	61	-	2,878	1.6%	-	-	-	35	2,913	54	925	2,878	3,803	-	-	-	135
2020	2,885	32	-	2,917	2,885	47	-	2,932	1.9%	-	-	-	37	2,969	52	976	3,132	4,108	-	-	-	110
2021	2,956	25	-	2,981	2,956	35	-	2,991	2.0%	-	-	-	39	3,030	49	1,025	3,393	4,418	-	-	-	91
2022	3,265	21	-	3,286	3,265	28	-	3,293	10.1%	-	-	-	41	3,334	48	1,074	3,662	4,735	-	-	-	75
2023	4,099	16	-	4,115	4,099	23	-	4,122	25.2%	-	-	-	43	4,165	49	1,123	3,938	5,061	-	-	-	63
2024	5,146	13	-	5,159	5,146	18	-	5,164	25.3%	-	-	-	45	5,209	50	1,173	4,224	5,396	-	-	-	53
2025	5,686	11	-	5,697	5,686	14	-	5,700	10.4%	-	-	-	47	5,747	51	1,223	4,518	5,741	-	-	-	45
	49,796	2,764	5	52,564	49,796	3,018	-	52,814		336	113	449	465	53,728	1,223				82	82		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,598	407	(532)	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,239		2025 Ending Surplus / (Deficit)		5,779	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	123	-	123	1,746
2007	963	286	6	1,256	963	111	-	1,074	0.4%	42	134	176	0	1,250	(6)	(0)	280	280	-	54	69	1,743
2008	1,146	302	4	1,451	1,146	319	-	1,465	36.4%	42	-	42	-	1,507	56	56	470	526	-	69	-	1,653
2009	1,171	311	-	1,482	1,171	332	-	1,503	2.6%	42	-	42	2	1,547	65	121	662	783	-	-	-	1,528
2010	1,198	320	-	1,518	1,198	342	-	1,539	2.4%	42	-	42	5	1,586	68	189	857	1,047	-	-	-	1,369
2011	1,367	315	-	1,682	1,367	352	-	1,720	11.7%	42	-	42	8	1,769	87	276	1,058	1,334	-	-	-	1,126
2012	1,511	288	-	1,799	1,511	347	-	1,857	8.0%	42	-	42	11	1,910	112	387	1,263	1,650	-	-	-	899
2013	1,897	250	-	2,147	1,897	317	-	2,214	19.2%	42	-	42	15	2,271	124	512	1,473	1,984	-	-	-	699
2014	2,382	206	-	2,587	2,382	275	-	2,657	20.0%	-	-	-	20	2,678	90	602	1,688	2,290	-	-	-	533
2015	2,632	158	-	2,790	2,632	226	-	2,858	7.6%	-	-	-	24	2,882	92	694	1,909	2,602	-	-	-	405
2016	2,697	116	-	2,813	2,697	174	-	2,871	0.5%	-	-	-	28	2,899	86	780	2,135	2,915	-	-	-	312
2017	2,763	86	-	2,849	2,763	128	-	2,891	0.7%	-	-	-	31	2,922	73	852	2,368	3,220	-	-	-	243
2018	2,832	64	-	2,896	2,832	95	-	2,926	1.2%	-	-	-	34	2,960	65	917	2,606	3,523	-	-	-	193
2019	2,902	49	-	2,950	2,902	70	-	2,972	1.6%	-	-	-	37	3,009	58	976	2,852	3,827	-	-	-	154
2020	2,974	37	-	3,010	2,974	53	-	3,027	1.8%	-	-	-	39	3,066	56	1,032	3,104	4,136	-	-	-	126
2021	3,047	29	-	3,076	3,047	40	-	3,088	2.0%	-	-	-	41	3,129	53	1,084	3,364	4,448	-	-	-	104
2022	3,368	24	-	3,392	3,368	32	-	3,400	10.1%	-	-	-	43	3,443	52	1,136	3,632	4,767	-	-	-	86
2023	4,230	19	-	4,249	4,230	26	-	4,256	25.2%	-	-	-	45	4,301	53	1,188	3,907	5,096	-	-	-	71
2024	5,313	15	-	5,328	5,313	21	-	5,333	25.3%	-	-	-	48	5,381	53	1,241	4,191	5,433	-	-	-	60
2025	5,872	12	-	5,884	5,872	17	-	5,888	10.4%	-	-	-	50	5,938	54	1,295	4,484	5,779	-	-	-	51
	51,209	3,109	10	54,327	51,209	3,400	-	54,609		336	134	470	484	55,563	1,295				123	123		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
34,692	408	(546)	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,195		2025 Ending Surplus / (Deficit)		5,815	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	164	-	164	1,951
2007	963	286	9	1,258	963	112	-	1,075	0.5%	42	135	177	0	1,252	(6)	(0)	280	280	-	49	116	1,978
2008	1,164	336	6	1,506	1,164	321	-	1,485	38.2%	42	-	42	-	1,527	22	22	472	494	-	116	-	1,880
2009	1,190	348	-	1,538	1,190	369	-	1,560	5.0%	42	-	42	1	1,603	65	86	664	750	-	-	-	1,740
2010	1,217	363	-	1,581	1,217	382	-	1,600	2.6%	42	-	42	3	1,645	64	151	860	1,011	-	-	-	1,557
2011	1,403	360	-	1,764	1,403	400	-	1,803	12.7%	42	-	42	6	1,851	87	238	1,061	1,299	-	-	-	1,280
2012	1,551	328	-	1,880	1,551	397	-	1,948	8.0%	42	-	42	10	1,999	120	358	1,266	1,623	-	-	-	1,021
2013	1,948	285	-	2,233	1,948	361	-	2,310	18.6%	42	-	42	14	2,366	133	490	1,476	1,966	-	-	-	793
2014	2,447	233	-	2,680	2,447	313	-	2,761	19.5%	-	-	-	20	2,780	100	590	1,691	2,281	-	-	-	605
2015	2,705	180	-	2,885	2,705	256	-	2,961	7.3%	-	-	-	24	2,985	100	690	1,912	2,602	-	-	-	459
2016	2,773	132	-	2,905	2,773	198	-	2,971	0.3%	-	-	-	28	2,998	94	784	2,138	2,922	-	-	-	354
2017	2,843	97	-	2,940	2,843	145	-	2,987	0.6%	-	-	-	31	3,019	79	863	2,371	3,234	-	-	-	276
2018	2,914	73	-	2,987	2,914	107	-	3,021	1.1%	-	-	-	35	3,056	69	932	2,610	3,542	-	-	-	218
2019	2,987	55	-	3,042	2,987	80	-	3,067	1.5%	-	-	-	37	3,104	62	994	2,856	3,849	-	-	-	175
2020	3,062	41	-	3,104	3,062	61	-	3,123	1.8%	-	-	-	40	3,163	59	1,053	3,108	4,161	-	-	-	143
2021	3,139	33	-	3,172	3,139	45	-	3,185	2.0%	-	-	-	42	3,227	55	1,108	3,368	4,476	-	-	-	118
2022	3,471	27	-	3,498	3,471	36	-	3,507	10.1%	-	-	-	44	3,551	53	1,161	3,636	4,797	-	-	-	97
2023	4,361	21	-	4,382	4,361	29	-	4,390	25.2%	-	-	-	46	4,437	55	1,216	3,912	5,128	-	-	-	81
2024	5,479	17	-	5,496	5,479	23	-	5,503	25.3%	-	-	-	49	5,551	55	1,271	4,196	5,467	-	-	-	68
2025	6,058	14	-	6,072	6,058	19	-	6,077	10.4%	-	-	-	51	6,128	56	1,327	4,489	5,815	-	-	-	58
	52,622	3,453	15	56,089	52,622	3,780	-	56,402		336	135	471	483	57,356	1,327				164	164		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
35,786	420	(572)	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,151		2025 Ending Surplus / (Deficit)		5,851	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	206	-	206	2,156
2007	963	286	11	1,260	963	113	-	1,076	0.6%	42	136	178	0	1,254	(6)	0	281	281	-	43	162	2,214
2008	1,182	370	9	1,561	1,182	324	-	1,506	40.0%	42	12	54	-	1,561	-	0	462	462	-	162	-	2,106
2009	1,209	385	-	1,594	1,209	407	-	1,616	7.3%	42	-	42	-	1,658	65	65	654	718	-	-	-	1,952
2010	1,237	406	-	1,643	1,237	423	-	1,660	2.7%	42	-	42	3	1,704	61	126	849	975	-	-	-	1,746
2011	1,439	406	-	1,845	1,439	447	-	1,886	13.6%	42	-	42	5	1,933	88	214	1,049	1,263	-	-	-	1,434
2012	1,592	369	-	1,960	1,592	446	-	2,038	8.0%	42	-	42	9	2,088	128	342	1,254	1,596	-	-	-	1,143
2013	2,000	320	-	2,319	2,000	406	-	2,406	18.1%	42	-	42	14	2,461	142	484	1,463	1,947	-	-	-	887
2014	2,513	261	-	2,773	2,513	352	-	2,864	19.1%	-	-	-	19	2,884	110	594	1,678	2,273	-	-	-	677
2015	2,779	201	-	2,980	2,779	287	-	3,065	7.0%	-	-	-	24	3,089	109	704	1,899	2,602	-	-	-	514
2016	2,849	147	-	2,997	2,849	221	-	3,070	0.2%	-	-	-	28	3,099	102	806	2,125	2,930	-	-	-	395
2017	2,922	109	-	3,030	2,922	162	-	3,084	0.4%	-	-	-	32	3,116	86	891	2,357	3,248	-	-	-	309
2018	2,996	82	-	3,078	2,996	120	-	3,116	1.0%	-	-	-	36	3,151	74	965	2,595	3,560	-	-	-	244
2019	3,072	62	-	3,134	3,072	90	-	3,162	1.5%	-	-	-	39	3,201	67	1,031	2,840	3,871	-	-	-	195
2020	3,151	46	-	3,197	3,151	68	-	3,219	1.8%	-	-	-	41	3,260	63	1,095	3,092	4,187	-	-	-	160
2021	3,231	36	-	3,268	3,231	51	-	3,282	2.0%	-	-	-	44	3,326	58	1,153	3,351	4,504	-	-	-	132
2022	3,574	30	-	3,604	3,574	40	-	3,614	10.1%	-	-	-	46	3,660	56	1,209	3,618	4,827	-	-	-	109
2023	4,492	24	-	4,516	4,492	33	-	4,525	25.2%	-	-	-	48	4,573	57	1,266	3,893	5,160	-	-	-	91
2024	5,645	19	-	5,665	5,645	26	-	5,672	25.4%	-	-	-	51	5,722	58	1,324	4,177	5,501	-	-	-	76
2025	6,244	16	-	6,260	6,244	21	-	6,265	10.5%	-	-	-	53	6,318	58	1,382	4,469	5,851	-	-	-	64
	54,035	3,797	19	57,850	54,035	4,161	-	58,195		336	149	485	493	59,173	1,382				206	206		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Status Quo - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
28,959	356	(248)	1,287	-	5	(5)	-	-
	Total Economic Cost:		30,354		2025 Ending Surplus / (Deficit)		5,257	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	46	-	46	1,361
2007	963	233	2	1,199	963	109	-	1,072	0.3%	42	79	121	0	1,193	(6)	(0)	332	332	-	46	-	1,407
2008	983	236	-	1,218	983	256	-	1,239	15.6%	42	-	42	-	1,281	63	63	522	584	-	-	-	1,472
2009	1,002	246	-	1,248	1,002	259	-	1,261	1.8%	42	-	42	3	1,306	58	121	715	836	-	-	-	1,553
2010	1,022	261	-	1,283	1,022	270	-	1,292	2.5%	42	-	42	5	1,339	56	176	913	1,090	-	-	-	1,647
2011	1,043	280	-	1,323	1,043	287	-	1,330	2.9%	42	-	42	7	1,379	56	232	1,116	1,348	-	-	-	1,753
2012	1,147	301	-	1,448	1,147	308	-	1,455	9.4%	42	-	42	9	1,507	59	291	1,323	1,615	-	-	-	1,872
2013	1,434	321	-	1,755	1,434	331	-	1,764	21.2%	42	-	42	12	1,818	63	355	1,536	1,890	-	-	-	2,009
2014	1,792	342	-	2,134	1,792	353	-	2,145	21.6%	-	-	-	14	2,160	25	380	1,753	2,133	-	-	-	2,166
2015	1,971	367	-	2,338	1,971	377	-	2,348	9.4%	-	-	-	15	2,363	25	405	1,977	2,381	-	-	-	2,343
2016	2,011	396	-	2,407	2,011	404	-	2,414	2.8%	-	-	-	16	2,430	24	429	2,206	2,634	-	-	-	2,542
2017	2,051	429	-	2,480	2,051	436	-	2,486	3.0%	-	-	-	17	2,504	24	453	2,441	2,894	-	-	-	2,763
2018	2,092	465	-	2,556	2,092	472	-	2,563	3.1%	-	-	-	18	2,582	25	478	2,683	3,160	-	-	-	3,009
2019	2,134	505	-	2,638	2,134	511	-	2,645	3.2%	-	-	-	19	2,664	25	503	2,931	3,434	-	-	-	3,280
2020	2,176	550	-	2,726	2,176	555	-	2,732	3.3%	-	-	-	20	2,752	25	528	3,187	3,715	-	-	-	3,578
2021	2,220	600	-	2,820	2,220	605	-	2,825	3.4%	-	-	-	21	2,846	26	555	3,450	4,005	-	-	-	3,906
2022	2,442	655	-	3,096	2,442	660	-	3,102	9.8%	-	-	-	22	3,124	28	582	3,721	4,303	-	-	-	4,265
2023	3,052	714	-	3,767	3,052	720	-	3,772	21.6%	-	-	-	23	3,796	29	611	4,000	4,611	-	-	-	4,659
2024	3,816	780	-	4,596	3,816	786	-	4,601	22.0%	-	-	-	24	4,626	30	641	4,288	4,929	-	-	-	5,090
2025	4,197	852	-	5,050	4,197	858	-	5,055	9.9%	-	-	-	26	5,081	31	673	4,585	5,257	-	-	-	5,562
	38,492	8,755	2	47,249	38,492	8,681	-	47,173		336	79	415	275	47,862	673				46	46		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,712	388	(264)	1,478	-	5	(5)	-	-
	Total Economic Cost:		31,313		2025 Ending Surplus / (Deficit)		5,228	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	90	-	90	1,578
2007	963	267	5	1,235	963	110	-	1,073	0.4%	42	114	156	0	1,229	(6)	0	299	299	-	62	27	1,631
2008	983	270	1	1,254	983	295	-	1,277	19.1%	42	-	42	-	1,319	66	66	488	554	-	27	-	1,707
2009	1,002	282	-	1,285	1,002	297	-	1,299	1.7%	42	-	42	3	1,343	59	125	681	805	-	-	-	1,799
2010	1,022	303	-	1,326	1,022	311	-	1,333	2.6%	42	-	42	5	1,380	54	179	877	1,056	-	-	-	1,902
2011	1,043	326	-	1,369	1,043	334	-	1,376	3.3%	42	-	42	7	1,425	56	235	1,078	1,314	-	-	-	2,018
2012	1,147	348	-	1,495	1,147	359	-	1,506	9.4%	42	-	42	9	1,557	62	298	1,284	1,582	-	-	-	2,151
2013	1,434	371	-	1,804	1,434	383	-	1,816	20.6%	42	-	42	12	1,870	66	364	1,495	1,859	-	-	-	2,304
2014	1,792	394	-	2,186	1,792	408	-	2,200	21.1%	-	-	-	15	2,214	29	392	1,711	2,104	-	-	-	2,482
2015	1,971	421	-	2,393	1,971	433	-	2,404	9.3%	-	-	-	16	2,420	27	420	1,933	2,352	-	-	-	2,683
2016	2,011	454	-	2,465	2,011	464	-	2,474	2.9%	-	-	-	17	2,491	27	446	2,160	2,606	-	-	-	2,909
2017	2,051	491	-	2,542	2,051	499	-	2,550	3.1%	-	-	-	18	2,568	26	473	2,394	2,866	-	-	-	3,161
2018	2,092	532	-	2,624	2,092	540	-	2,632	3.2%	-	-	-	19	2,651	27	499	2,633	3,133	-	-	-	3,441
2019	2,134	577	-	2,711	2,134	585	-	2,719	3.3%	-	-	-	20	2,739	28	527	2,880	3,407	-	-	-	3,750
2020	2,176	629	-	2,805	2,176	635	-	2,812	3.4%	-	-	-	21	2,833	27	554	3,134	3,688	-	-	-	4,091
2021	2,220	686	-	2,906	2,220	692	-	2,912	3.6%	-	-	-	22	2,934	28	583	3,395	3,977	-	-	-	4,465
2022	2,442	748	-	3,190	2,442	754	-	3,196	9.8%	-	-	-	23	3,220	29	612	3,663	4,275	-	-	-	4,876
2023	3,052	817	-	3,869	3,052	823	-	3,876	21.2%	-	-	-	24	3,900	31	643	3,940	4,583	-	-	-	5,326
2024	3,816	892	-	4,707	3,816	898	-	4,714	21.6%	-	-	-	26	4,740	32	675	4,225	4,900	-	-	-	5,818
2025	4,197	974	-	5,172	4,197	981	-	5,178	9.8%	-	-	-	27	5,205	34	709	4,520	5,228	-	-	-	6,357
	38,492	10,005	6	48,503	38,492	9,924	-	48,416		336	114	450	286	49,152	709				90	90		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,463	407	(268)	1,673	-	6	(6)	-	-
	Total Economic Cost:		32,275		2025 Ending Surplus / (Deficit)		5,202	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	133	-	133	1,792
2007	963	286	7	1,256	963	111	-	1,074	0.5%	42	134	176	0	1,251	(6)	0	280	280	-	39	93	1,866
2008	983	304	5	1,291	983	320	-	1,303	21.3%	42	-	42	-	1,345	54	54	471	525	-	93	-	1,952
2009	1,002	320	-	1,322	1,002	334	-	1,336	2.6%	42	-	42	2	1,380	59	112	663	775	-	-	-	2,054
2010	1,022	347	-	1,369	1,022	352	-	1,374	2.8%	42	-	42	4	1,420	51	163	859	1,022	-	-	-	2,166
2011	1,043	375	-	1,418	1,043	382	-	1,425	3.7%	42	-	42	7	1,473	55	218	1,059	1,278	-	-	-	2,290
2012	1,147	397	-	1,544	1,147	413	-	1,559	9.5%	42	-	42	9	1,610	66	284	1,264	1,548	-	-	-	2,435
2013	1,434	422	-	1,856	1,434	437	-	1,871	20.0%	42	-	42	11	1,924	69	353	1,474	1,827	-	-	-	2,604
2014	1,792	446	-	2,238	1,792	464	-	2,256	20.6%	-	-	-	14	2,270	32	385	1,689	2,075	-	-	-	2,801
2015	1,971	477	-	2,448	1,971	491	-	2,462	9.1%	-	-	-	15	2,477	29	414	1,910	2,324	-	-	-	3,025
2016	2,011	512	-	2,523	2,011	525	-	2,535	3.0%	-	-	-	17	2,552	29	443	2,137	2,580	-	-	-	3,278
2017	2,051	553	-	2,604	2,051	564	-	2,615	3.1%	-	-	-	18	2,632	28	471	2,369	2,840	-	-	-	3,560
2018	2,092	600	-	2,692	2,092	609	-	2,701	3.3%	-	-	-	19	2,720	28	499	2,608	3,107	-	-	-	3,874
2019	2,134	650	-	2,784	2,134	660	-	2,793	3.4%	-	-	-	20	2,813	29	528	2,854	3,382	-	-	-	4,222
2020	2,176	708	-	2,884	2,176	715	-	2,892	3.5%	-	-	-	21	2,913	29	557	3,106	3,663	-	-	-	4,605
2021	2,220	772	-	2,992	2,220	779	-	2,999	3.7%	-	-	-	22	3,021	29	586	3,366	3,952	-	-	-	5,025
2022	2,442	842	-	3,284	2,442	849	-	3,291	9.7%	-	-	-	23	3,315	30	616	3,634	4,250	-	-	-	5,487
2023	3,052	919	-	3,972	3,052	926	-	3,979	20.9%	-	-	-	25	4,004	32	648	3,909	4,557	-	-	-	5,993
2024	3,816	1,004	-	4,819	3,816	1,011	-	4,827	21.3%	-	-	-	26	4,853	33	681	4,193	4,875	-	-	-	6,547
2025	4,197	1,096	-	5,294	4,197	1,104	-	5,301	9.8%	-	-	-	27	5,328	35	716	4,486	5,202	-	-	-	7,153
	38,492	11,254	12	49,758	38,492	11,170	-	49,661		336	134	470	283	50,415	716				133	133		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,208	408	(253)	1,871	-	7	(7)	-	-
	Total Economic Cost:		33,235		2025 Ending Surplus / (Deficit)		5,174	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	175	-	175	2,003
2007	963	286	9	1,259	963	112	-	1,075	0.6%	42	136	178	0	1,253	(6)	0	280	280	-	32	143	2,115
2008	983	338	7	1,328	983	323	-	1,306	21.4%	42	-	42	-	1,348	19	19	474	493	-	143	-	2,211
2009	1,002	358	-	1,360	1,002	372	-	1,374	5.3%	42	-	42	1	1,417	57	77	665	742	-	-	-	2,325
2010	1,022	393	-	1,415	1,022	393	-	1,416	3.0%	42	-	42	3	1,461	45	122	861	983	-	-	-	2,444
2011	1,043	427	-	1,470	1,043	433	-	1,475	4.2%	42	-	42	5	1,522	52	174	1,062	1,236	-	-	-	2,573
2012	1,147	450	-	1,597	1,147	470	-	1,617	9.6%	42	-	42	7	1,666	69	243	1,267	1,510	-	-	-	2,728
2013	1,434	476	-	1,909	1,434	495	-	1,929	19.3%	42	-	42	10	1,980	71	314	1,477	1,791	-	-	-	2,910
2014	1,792	500	-	2,292	1,792	523	-	2,315	20.0%	-	-	-	13	2,328	36	349	1,693	2,042	-	-	-	3,125
2015	1,971	534	-	2,505	1,971	550	-	2,522	8.9%	-	-	-	14	2,536	30	380	1,913	2,293	-	-	-	3,371
2016	2,011	572	-	2,583	2,011	587	-	2,598	3.0%	-	-	-	15	2,613	30	410	2,140	2,550	-	-	-	3,649
2017	2,051	617	-	2,668	2,051	629	-	2,680	3.2%	-	-	-	16	2,697	29	439	2,373	2,812	-	-	-	3,962
2018	2,092	668	-	2,760	2,092	678	-	2,770	3.4%	-	-	-	18	2,788	28	467	2,612	3,079	-	-	-	4,309
2019	2,134	724	-	2,858	2,134	735	-	2,868	3.5%	-	-	-	19	2,887	30	497	2,857	3,354	-	-	-	4,694
2020	2,176	787	-	2,964	2,176	796	-	2,973	3.6%	-	-	-	20	2,993	29	526	3,110	3,636	-	-	-	5,119
2021	2,220	858	-	3,078	2,220	866	-	3,086	3.8%	-	-	-	21	3,107	29	554	3,370	3,925	-	-	-	5,586
2022	2,442	936	-	3,378	2,442	944	-	3,386	9.7%	-	-	-	22	3,408	30	584	3,638	4,222	-	-	-	6,098
2023	3,052	1,022	-	4,074	3,052	1,030	-	4,082	20.6%	-	-	-	23	4,106	31	616	3,914	4,530	-	-	-	6,660
2024	3,816	1,116	-	4,931	3,816	1,124	-	4,940	21.0%	-	-	-	25	4,964	33	649	4,198	4,847	-	-	-	7,275
2025	4,197	1,219	-	5,416	4,197	1,227	-	5,424	9.8%	-	-	-	26	5,450	35	683	4,491	5,174	-	-	-	7,948
	38,492	12,503	17	51,012	38,492	12,413	-	50,905		336	136	472	259	51,636	683				175	175		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	10-Year Cycle
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,956	422	(251)	2,070	-	7	(7)	-	-
	Total Economic Cost:		34,197		2025 Ending Surplus / (Deficit)		5,149	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	944	223	-	1,167	944	125	-	1,069		42	-	42	2	1,113	(54)	6	220	226	217	-	217	2,213
2007	963	286	11	1,261	963	113	-	1,076	0.7%	42	137	179	0	1,255	(6)	0	281	281	-	25	192	2,364
2008	983	373	10	1,365	983	326	-	1,308	21.6%	42	15	57	-	1,365	-	0	461	461	-	159	33	2,471
2009	1,002	395	2	1,399	1,002	412	-	1,414	8.1%	42	-	42	-	1,456	57	57	654	711	-	33	-	2,595
2010	1,022	439	-	1,461	1,022	435	-	1,457	3.1%	42	-	42	2	1,501	40	97	850	947	-	-	-	2,722
2011	1,043	479	-	1,522	1,043	483	-	1,525	4.7%	42	-	42	4	1,571	50	147	1,050	1,196	-	-	-	2,857
2012	1,147	503	-	1,650	1,147	527	-	1,674	9.7%	42	-	42	6	1,722	72	219	1,254	1,473	-	-	-	3,021
2013	1,434	529	-	1,963	1,434	553	-	1,987	18.7%	42	-	42	9	2,037	74	293	1,464	1,757	-	-	-	3,215
2014	1,792	555	-	2,347	1,792	582	-	2,374	19.5%	-	-	-	12	2,386	39	332	1,679	2,011	-	-	-	3,448
2015	1,971	591	-	2,562	1,971	610	-	2,581	8.7%	-	-	-	13	2,595	33	365	1,899	2,264	-	-	-	3,716
2016	2,011	632	-	2,643	2,011	650	-	2,661	3.1%	-	-	-	15	2,675	33	398	2,125	2,523	-	-	-	4,021
2017	2,051	680	-	2,731	2,051	695	-	2,746	3.2%	-	-	-	16	2,762	31	428	2,357	2,786	-	-	-	4,363
2018	2,092	736	-	2,828	2,092	748	-	2,840	3.4%	-	-	-	17	2,857	29	457	2,596	3,053	-	-	-	4,744
2019	2,134	797	-	2,931	2,134	810	-	2,944	3.6%	-	-	-	18	2,962	31	488	2,841	3,329	-	-	-	5,167
2020	2,176	867	-	3,043	2,176	877	-	3,054	3.7%	-	-	-	20	3,073	30	518	3,093	3,611	-	-	-	5,634
2021	2,220	945	-	3,165	2,220	953	-	3,173	3.9%	-	-	-	21	3,194	30	548	3,352	3,900	-	-	-	6,147
2022	2,442	1,030	-	3,472	2,442	1,039	-	3,481	9.7%	-	-	-	22	3,503	31	578	3,619	4,197	-	-	-	6,710
2023	3,052	1,125	-	4,177	3,052	1,133	-	4,186	20.3%	-	-	-	23	4,209	32	610	3,894	4,504	-	-	-	7,327
2024	3,816	1,228	-	5,043	3,816	1,237	-	5,053	20.7%	-	-	-	24	5,077	34	644	4,178	4,821	-	-	-	8,004
2025	4,197	1,341	-	5,538	4,197	1,350	-	5,548	9.8%	-	-	-	26	5,573	35	679	4,470	5,149	-	-	-	8,744
	38,492	13,752	23	52,267	38,492	13,659	-	52,150		336	151	487	250	52,888	679				217	217		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Act 13 - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,706	355	(453)	(1,381)	407	-	-	-	-
	Total Economic Cost:		30,634		2025 Ending Surplus / (Deficit)		5,707	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,320
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	39	-	39	1,325
2007	958	233	2	1,193	958	108	-	1,066	0.2%	42	79	121	0	1,187	(6)	(0)	332	332	-	39	-	1,311
2008	1,163	234	-	1,396	1,163	256	-	1,419	33.1%	42	-	42	-	1,461	64	64	521	586	-	-	-	1,241
2009	1,252	238	-	1,491	1,252	257	-	1,509	6.4%	42	-	42	3	1,554	63	128	715	843	-	-	-	1,144
2010	1,349	240	-	1,589	1,349	262	-	1,611	6.7%	42	-	42	5	1,658	69	197	913	1,110	-	-	-	1,027
2011	1,589	234	-	1,823	1,589	264	-	1,853	15.0%	42	-	42	8	1,903	80	277	1,116	1,393	-	-	-	847
2012	1,714	216	-	1,930	1,714	257	-	1,971	6.4%	42	-	42	11	2,024	94	372	1,323	1,695	-	-	-	678
2013	1,849	188	-	2,037	1,849	237	-	2,087	5.9%	42	-	42	15	2,144	106	478	1,535	2,014	-	-	-	527
2014	1,996	155	-	2,151	1,996	207	-	2,202	5.5%	-	-	-	19	2,221	70	549	1,753	2,302	-	-	-	402
2015	2,153	119	-	2,272	2,153	171	-	2,324	5.5%	-	-	-	22	2,346	74	622	1,976	2,599	-	-	-	306
2016	2,323	88	-	2,411	2,323	131	-	2,454	5.6%	-	-	-	25	2,479	68	690	2,206	2,896	-	-	-	235
2017	2,507	65	-	2,572	2,507	96	-	2,604	6.1%	-	-	-	28	2,631	59	749	2,441	3,190	-	-	-	183
2018	2,706	48	-	2,754	2,706	72	-	2,777	6.7%	-	-	-	30	2,807	54	803	2,683	3,486	-	-	-	145
2019	2,920	37	-	2,956	2,920	53	-	2,972	7.0%	-	-	-	32	3,005	48	851	2,931	3,782	-	-	-	117
2020	3,151	28	-	3,179	3,151	40	-	3,191	7.4%	-	-	-	34	3,225	47	898	3,187	4,085	-	-	-	95
2021	3,400	22	-	3,422	3,400	31	-	3,431	7.5%	-	-	-	36	3,467	45	942	3,450	4,392	-	-	-	78
2022	3,670	18	-	3,688	3,670	24	-	3,694	7.7%	-	-	-	38	3,731	44	986	3,721	4,707	-	-	-	65
2023	3,960	14	-	3,974	3,960	20	-	3,980	7.7%	-	-	-	39	4,019	45	1,031	4,000	5,031	-	-	-	54
2024	4,274	11	-	4,285	4,274	15	-	4,290	7.8%	-	-	-	41	4,331	45	1,077	4,288	5,365	-	-	-	46
2025	4,613	9	-	4,622	4,613	12	-	4,625	7.8%	-	-	-	43	4,668	46	1,123	4,584	5,707	-	-	-	39
	48,486	2,419	2	50,907	48,486	2,639	-	51,125		336	79	415	431	51,971	1,123				39	39		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,809	388	(499)	(1,570)	465	-	-	-	-
	Total Economic Cost:		31,592		2025 Ending Surplus / (Deficit)		5,741	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,502
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	82	-	82	1,537
2007	958	267	4	1,229	958	109	-	1,067	0.3%	42	113	155	0	1,223	(6)	(0)	299	299	-	76	6	1,522
2008	1,182	268	0	1,450	1,182	294	-	1,475	38.2%	42	-	42	-	1,517	68	68	487	555	-	6	-	1,442
2009	1,273	274	-	1,547	1,273	294	-	1,567	6.2%	42	-	42	3	1,612	65	133	680	812	-	-	-	1,331
2010	1,371	279	-	1,651	1,371	302	-	1,673	6.7%	42	-	42	5	1,720	69	202	876	1,078	-	-	-	1,193
2011	1,633	273	-	1,906	1,633	307	-	1,940	16.0%	42	-	42	8	1,990	84	286	1,077	1,364	-	-	-	983
2012	1,763	251	-	2,014	1,763	301	-	2,063	6.3%	42	-	42	11	2,117	103	389	1,283	1,672	-	-	-	786
2013	1,903	218	-	2,121	1,903	276	-	2,179	5.6%	42	-	42	16	2,236	115	505	1,494	1,999	-	-	-	611
2014	2,054	180	-	2,233	2,054	240	-	2,294	5.3%	-	-	-	20	2,314	80	585	1,710	2,295	-	-	-	466
2015	2,217	138	-	2,355	2,217	198	-	2,415	5.3%	-	-	-	23	2,438	83	668	1,931	2,600	-	-	-	354
2016	2,393	102	-	2,495	2,393	152	-	2,545	5.4%	-	-	-	27	2,572	77	745	2,159	2,904	-	-	-	273
2017	2,583	75	-	2,659	2,583	112	-	2,695	5.9%	-	-	-	30	2,725	66	812	2,392	3,204	-	-	-	213
2018	2,789	56	-	2,845	2,789	83	-	2,872	6.6%	-	-	-	32	2,904	60	871	2,632	3,503	-	-	-	168
2019	3,011	42	-	3,053	3,011	61	-	3,072	7.0%	-	-	-	35	3,107	54	925	2,878	3,803	-	-	-	135
2020	3,251	32	-	3,283	3,251	47	-	3,297	7.3%	-	-	-	37	3,334	52	976	3,132	4,108	-	-	-	110
2021	3,510	25	-	3,535	3,510	35	-	3,545	7.5%	-	-	-	39	3,584	49	1,025	3,393	4,418	-	-	-	91
2022	3,789	21	-	3,810	3,789	28	-	3,817	7.7%	-	-	-	41	3,858	48	1,074	3,662	4,735	-	-	-	75
2023	4,091	16	-	4,107	4,091	23	-	4,114	7.8%	-	-	-	43	4,157	49	1,123	3,938	5,061	-	-	-	63
2024	4,417	13	-	4,430	4,417	18	-	4,435	7.8%	-	-	-	45	4,480	50	1,173	4,224	5,396	-	-	-	53
2025	4,769	11	-	4,780	4,769	14	-	4,783	7.9%	-	-	-	47	4,830	51	1,223	4,518	5,741	-	-	-	45
	49,894	2,764	5	52,663	49,894	3,018	-	52,912		336	113	449	465	53,827	1,223				82	82		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
33,912	407	(532)	(1,757)	523	-	-	-	-
	Total Economic Cost:		32,553		2025 Ending Surplus / (Deficit)		5,779	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,681
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	123	-	123	1,746
2007	958	286	6	1,250	958	111	-	1,068	0.4%	42	134	176	0	1,245	(6)	(0)	280	280	-	54	69	1,743
2008	1,201	302	4	1,506	1,201	319	-	1,519	42.2%	42	-	42	-	1,561	56	56	470	526	-	69	-	1,653
2009	1,294	311	-	1,604	1,294	332	-	1,625	7.0%	42	-	42	2	1,670	65	121	662	783	-	-	-	1,528
2010	1,394	320	-	1,715	1,394	342	-	1,736	6.8%	42	-	42	5	1,783	68	189	857	1,047	-	-	-	1,369
2011	1,677	315	-	1,992	1,677	352	-	2,030	16.9%	42	-	42	8	2,079	87	276	1,058	1,334	-	-	-	1,126
2012	1,811	288	-	2,099	1,811	347	-	2,158	6.3%	42	-	42	11	2,211	112	387	1,263	1,650	-	-	-	899
2013	1,956	250	-	2,206	1,956	317	-	2,273	5.3%	42	-	42	15	2,330	124	512	1,473	1,984	-	-	-	699
2014	2,112	206	-	2,317	2,112	275	-	2,387	5.0%	-	-	-	20	2,408	90	602	1,688	2,290	-	-	-	533
2015	2,280	158	-	2,439	2,280	226	-	2,506	5.0%	-	-	-	24	2,531	92	694	1,909	2,602	-	-	-	405
2016	2,463	116	-	2,579	2,463	174	-	2,637	5.2%	-	-	-	28	2,665	86	780	2,135	2,915	-	-	-	312
2017	2,660	86	-	2,746	2,660	128	-	2,787	5.7%	-	-	-	31	2,818	73	852	2,368	3,220	-	-	-	243
2018	2,872	64	-	2,936	2,872	95	-	2,967	6.4%	-	-	-	34	3,001	65	917	2,606	3,523	-	-	-	193
2019	3,102	49	-	3,151	3,102	70	-	3,173	6.9%	-	-	-	37	3,209	58	976	2,852	3,827	-	-	-	154
2020	3,350	37	-	3,387	3,350	53	-	3,404	7.3%	-	-	-	39	3,443	56	1,032	3,104	4,136	-	-	-	126
2021	3,619	29	-	3,648	3,619	40	-	3,659	7.5%	-	-	-	41	3,700	53	1,084	3,364	4,448	-	-	-	104
2022	3,908	24	-	3,932	3,908	32	-	3,940	7.7%	-	-	-	43	3,984	52	1,136	3,632	4,767	-	-	-	86
2023	4,222	19	-	4,240	4,222	26	-	4,248	7.8%	-	-	-	45	4,293	53	1,188	3,907	5,096	-	-	-	71
2024	4,560	15	-	4,575	4,560	21	-	4,580	7.8%	-	-	-	48	4,628	53	1,241	4,191	5,433	-	-	-	60
2025	4,925	12	-	4,938	4,925	17	-	4,942	7.9%	-	-	-	50	4,991	54	1,295	4,484	5,779	-	-	-	51
	51,302	3,109	10	54,421	51,302	3,400	-	54,703		336	134	470	484	55,657	1,295				123	123		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
35,010	408	(546)	(1,940)	581	-	-	-	-
	Total Economic Cost:		33,514		2025 Ending Surplus / (Deficit)		5,815	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,856
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	164	-	164	1,951
2007	958	286	9	1,253	958	112	-	1,069	0.5%	42	135	177	0	1,247	(6)	(0)	280	280	-	49	116	1,978
2008	1,220	336	6	1,562	1,220	321	-	1,541	44.1%	42	-	42	-	1,583	22	22	472	494	-	116	-	1,880
2009	1,315	348	-	1,662	1,315	369	-	1,684	9.3%	42	-	42	1	1,727	65	86	664	750	-	-	-	1,740
2010	1,417	363	-	1,780	1,417	382	-	1,799	6.8%	42	-	42	3	1,845	64	151	860	1,011	-	-	-	1,557
2011	1,721	360	-	2,082	1,721	400	-	2,121	17.9%	42	-	42	6	2,169	87	238	1,061	1,299	-	-	-	1,280
2012	1,859	328	-	2,188	1,859	397	-	2,256	6.4%	42	-	42	10	2,308	120	358	1,266	1,623	-	-	-	1,021
2013	2,009	285	-	2,294	2,009	361	-	2,370	5.0%	42	-	42	14	2,426	133	490	1,476	1,966	-	-	-	793
2014	2,170	233	-	2,403	2,170	313	-	2,483	4.8%	-	-	-	20	2,503	100	590	1,691	2,281	-	-	-	605
2015	2,344	180	-	2,524	2,344	256	-	2,600	4.7%	-	-	-	24	2,624	100	690	1,912	2,602	-	-	-	459
2016	2,532	132	-	2,664	2,532	198	-	2,730	5.0%	-	-	-	28	2,758	94	784	2,138	2,922	-	-	-	354
2017	2,736	97	-	2,833	2,736	145	-	2,881	5.5%	-	-	-	31	2,912	79	863	2,371	3,234	-	-	-	276
2018	2,956	73	-	3,029	2,956	107	-	3,063	6.3%	-	-	-	35	3,097	69	932	2,610	3,542	-	-	-	218
2019	3,193	55	-	3,249	3,193	80	-	3,273	6.9%	-	-	-	37	3,311	62	994	2,856	3,849	-	-	-	175
2020	3,450	41	-	3,492	3,450	61	-	3,511	7.3%	-	-	-	40	3,551	59	1,053	3,108	4,161	-	-	-	143
2021	3,728	33	-	3,761	3,728	45	-	3,773	7.5%	-	-	-	42	3,815	55	1,108	3,368	4,476	-	-	-	118
2022	4,028	27	-	4,055	4,028	36	-	4,064	7.7%	-	-	-	44	4,108	53	1,161	3,636	4,797	-	-	-	97
2023	4,352	21	-	4,373	4,352	29	-	4,382	7.8%	-	-	-	46	4,428	55	1,216	3,912	5,128	-	-	-	81
2024	4,703	17	-	4,720	4,703	23	-	4,726	7.9%	-	-	-	49	4,775	55	1,271	4,196	5,467	-	-	-	68
2025	5,081	14	-	5,095	5,081	19	-	5,100	7.9%	-	-	-	51	5,151	56	1,327	4,489	5,815	-	-	-	58
	52,711	3,453	15	56,178	52,711	3,780	-	56,491		336	135	471	483	57,445	1,327				164	164		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Act 13 - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
36,108	420	(572)	(2,122)	639	-	-	-	-
	Total Economic Cost:		34,474		2025 Ending Surplus / (Deficit)		5,851	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,031
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	206	-	206	2,156
2007	958	286	11	1,255	958	113	-	1,070	0.6%	42	136	178	0	1,249	(6)	0	281	281	-	43	162	2,214
2008	1,239	370	9	1,617	1,239	324	-	1,563	46.0%	42	12	54	-	1,617	-	0	462	462	-	162	-	2,106
2009	1,335	385	-	1,720	1,335	407	-	1,742	11.5%	42	-	42	-	1,784	65	65	654	718	-	-	-	1,952
2010	1,440	406	-	1,846	1,440	423	-	1,863	6.9%	42	-	42	3	1,907	61	126	849	975	-	-	-	1,746
2011	1,766	406	-	2,171	1,766	447	-	2,212	18.8%	42	-	42	5	2,260	88	214	1,049	1,263	-	-	-	1,434
2012	1,908	369	-	2,277	1,908	446	-	2,354	6.4%	42	-	42	9	2,405	128	342	1,254	1,596	-	-	-	1,143
2013	2,062	320	-	2,381	2,062	406	-	2,468	4.8%	42	-	42	14	2,523	142	484	1,463	1,947	-	-	-	887
2014	2,228	261	-	2,489	2,228	352	-	2,579	4.5%	-	-	-	19	2,599	110	594	1,678	2,273	-	-	-	677
2015	2,408	201	-	2,609	2,408	287	-	2,694	4.5%	-	-	-	24	2,718	109	704	1,899	2,602	-	-	-	514
2016	2,602	147	-	2,749	2,602	221	-	2,823	4.8%	-	-	-	28	2,851	102	806	2,125	2,930	-	-	-	395
2017	2,812	109	-	2,921	2,812	162	-	2,974	5.3%	-	-	-	32	3,006	86	891	2,357	3,248	-	-	-	309
2018	3,039	82	-	3,121	3,039	120	-	3,159	6.2%	-	-	-	36	3,194	74	965	2,595	3,560	-	-	-	244
2019	3,285	62	-	3,346	3,285	90	-	3,374	6.8%	-	-	-	39	3,413	67	1,031	2,840	3,871	-	-	-	195
2020	3,550	46	-	3,596	3,550	68	-	3,618	7.2%	-	-	-	41	3,659	63	1,095	3,092	4,187	-	-	-	160
2021	3,837	36	-	3,873	3,837	51	-	3,888	7.5%	-	-	-	44	3,932	58	1,153	3,351	4,504	-	-	-	132
2022	4,147	30	-	4,177	4,147	40	-	4,187	7.7%	-	-	-	46	4,233	56	1,209	3,618	4,827	-	-	-	109
2023	4,483	24	-	4,507	4,483	33	-	4,516	7.8%	-	-	-	48	4,564	57	1,266	3,893	5,160	-	-	-	91
2024	4,845	19	-	4,865	4,845	26	-	4,872	7.9%	-	-	-	51	4,922	58	1,324	4,177	5,501	-	-	-	76
2025	5,237	16	-	5,253	5,237	21	-	5,259	7.9%	-	-	-	53	5,312	58	1,382	4,469	5,851	-	-	-	64
	54,119	3,797	19	57,935	54,119	4,161	-	58,279		336	149	485	493	59,258	1,382				206	206		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions	
MCARE Phaseout Assumptions:	Status Quo - 70%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	70%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,239	356	(248)	1,287	-	5	(5)	-	-
	Total Economic Cost:		30,634		2025 Ending Surplus / (Deficit)		5,257	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,325
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	46	-	46	1,361
2007	958	233	2	1,193	958	109	-	1,066	0.3%	42	79	121	0	1,187	(6)	(0)	332	332	-	46	-	1,407
2008	1,030	236	-	1,265	1,030	256	-	1,286	20.6%	42	-	42	-	1,328	63	63	522	584	-	-	-	1,472
2009	1,107	246	-	1,352	1,107	259	-	1,366	6.2%	42	-	42	3	1,410	58	121	715	836	-	-	-	1,553
2010	1,190	261	-	1,451	1,190	270	-	1,460	6.9%	42	-	42	5	1,507	56	176	913	1,090	-	-	-	1,647
2011	1,279	280	-	1,559	1,279	287	-	1,566	7.3%	42	-	42	7	1,615	56	232	1,116	1,348	-	-	-	1,753
2012	1,375	301	-	1,676	1,375	308	-	1,683	7.5%	42	-	42	9	1,735	59	291	1,323	1,615	-	-	-	1,872
2013	1,478	321	-	1,799	1,478	331	-	1,809	7.5%	42	-	42	12	1,863	63	355	1,536	1,890	-	-	-	2,009
2014	1,589	342	-	1,931	1,589	353	-	1,942	7.4%	-	-	-	14	1,956	25	380	1,753	2,133	-	-	-	2,166
2015	1,708	367	-	2,075	1,708	377	-	2,085	7.3%	-	-	-	15	2,100	25	405	1,977	2,381	-	-	-	2,343
2016	1,836	396	-	2,232	1,836	404	-	2,240	7.4%	-	-	-	16	2,256	24	429	2,206	2,634	-	-	-	2,542
2017	1,974	429	-	2,403	1,974	436	-	2,409	7.6%	-	-	-	17	2,427	24	453	2,441	2,894	-	-	-	2,763
2018	2,122	465	-	2,586	2,122	472	-	2,593	7.6%	-	-	-	18	2,612	25	478	2,683	3,160	-	-	-	3,009
2019	2,281	505	-	2,786	2,281	511	-	2,792	7.7%	-	-	-	19	2,811	25	503	2,931	3,434	-	-	-	3,280
2020	2,452	550	-	3,002	2,452	555	-	3,007	7.7%	-	-	-	20	3,027	25	528	3,187	3,715	-	-	-	3,578
2021	2,636	600	-	3,236	2,636	605	-	3,241	7.8%	-	-	-	21	3,262	26	555	3,450	4,005	-	-	-	3,906
2022	2,834	655	-	3,488	2,834	660	-	3,494	7.8%	-	-	-	22	3,516	28	582	3,721	4,303	-	-	-	4,265
2023	3,046	714	-	3,761	3,046	720	-	3,766	7.8%	-	-	-	23	3,790	29	611	4,000	4,611	-	-	-	4,659
2024	3,275	780	-	4,055	3,275	786	-	4,061	7.8%	-	-	-	24	4,085	30	641	4,288	4,929	-	-	-	5,090
2025	3,520	852	-	4,373	3,520	858	-	4,379	7.8%	-	-	-	26	4,404	31	673	4,585	5,257	-	-	-	5,562
	38,629	8,755	2	47,386	38,629	8,681	-	47,309		336	79	415	275	47,999	673				46	46		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 80%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	80%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
29,992	388	(264)	1,478	-	5	(5)	-	-
	Total Economic Cost:		31,594		2025 Ending Surplus / (Deficit)		5,228	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessment net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,507
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	90	-	90	1,578
2007	958	267	5	1,229	958	110	-	1,067	0.4%	42	114	156	0	1,223	(6)	(0)	299	299	-	62	27	1,631
2008	1,030	270	1	1,301	1,030	295	-	1,324	24.1%	42	-	42	-	1,366	66	66	488	554	-	27	-	1,707
2009	1,107	282	-	1,389	1,107	297	-	1,403	6.0%	42	-	42	3	1,448	59	125	681	805	-	-	-	1,799
2010	1,190	303	-	1,493	1,190	311	-	1,500	6.9%	42	-	42	5	1,547	54	179	877	1,056	-	-	-	1,902
2011	1,279	326	-	1,605	1,279	334	-	1,613	7.5%	42	-	42	7	1,662	56	235	1,078	1,314	-	-	-	2,018
2012	1,375	348	-	1,723	1,375	359	-	1,734	7.5%	42	-	42	9	1,785	62	298	1,284	1,582	-	-	-	2,151
2013	1,478	371	-	1,849	1,478	383	-	1,861	7.3%	42	-	42	12	1,915	66	364	1,495	1,859	-	-	-	2,304
2014	1,589	394	-	1,983	1,589	408	-	1,997	7.3%	-	-	-	15	2,011	29	392	1,711	2,104	-	-	-	2,482
2015	1,708	421	-	2,130	1,708	433	-	2,141	7.2%	-	-	-	16	2,157	27	420	1,933	2,352	-	-	-	2,683
2016	1,836	454	-	2,290	1,836	464	-	2,300	7.4%	-	-	-	17	2,317	27	446	2,160	2,606	-	-	-	2,909
2017	1,974	491	-	2,465	1,974	499	-	2,473	7.5%	-	-	-	18	2,491	26	473	2,394	2,866	-	-	-	3,161
2018	2,122	532	-	2,654	2,122	540	-	2,662	7.6%	-	-	-	19	2,681	27	499	2,633	3,133	-	-	-	3,441
2019	2,281	577	-	2,858	2,281	585	-	2,866	7.7%	-	-	-	20	2,886	28	527	2,880	3,407	-	-	-	3,750
2020	2,452	629	-	3,081	2,452	635	-	3,087	7.7%	-	-	-	21	3,108	27	554	3,134	3,688	-	-	-	4,091
2021	2,636	686	-	3,322	2,636	692	-	3,328	7.8%	-	-	-	22	3,350	28	583	3,395	3,977	-	-	-	4,465
2022	2,834	748	-	3,582	2,834	754	-	3,588	7.8%	-	-	-	23	3,612	29	612	3,663	4,275	-	-	-	4,876
2023	3,046	817	-	3,863	3,046	823	-	3,869	7.8%	-	-	-	24	3,894	31	643	3,940	4,583	-	-	-	5,326
2024	3,275	892	-	4,167	3,275	898	-	4,173	7.8%	-	-	-	26	4,199	32	675	4,225	4,900	-	-	-	5,818
2025	3,520	974	-	4,495	3,520	981	-	4,501	7.9%	-	-	-	27	4,528	34	709	4,520	5,228	-	-	-	6,357
	38,629	10,005	6	48,639	38,629	9,924	-	48,553		336	114	450	286	49,289	709				90	90		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 90%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	90%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
30,743	407	(268)	1,673	-	6	(6)	-	-
	Total Economic Cost:		32,555		2025 Ending Surplus / (Deficit)		5,202	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,687
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	133	-	133	1,792
2007	958	286	7	1,251	958	111	-	1,069	0.5%	42	134	176	0	1,245	(6)	(0)	280	280	-	39	93	1,866
2008	1,030	304	5	1,338	1,030	320	-	1,350	26.3%	42	-	42	-	1,392	54	54	471	525	-	93	-	1,952
2009	1,107	320	-	1,426	1,107	334	-	1,441	6.8%	42	-	42	2	1,485	59	112	663	775	-	-	-	2,054
2010	1,190	347	-	1,537	1,190	352	-	1,541	7.0%	42	-	42	4	1,588	51	163	859	1,022	-	-	-	2,166
2011	1,279	375	-	1,654	1,279	382	-	1,661	7.8%	42	-	42	7	1,709	55	218	1,059	1,278	-	-	-	2,290
2012	1,375	397	-	1,772	1,375	413	-	1,787	7.6%	42	-	42	9	1,838	66	284	1,264	1,548	-	-	-	2,435
2013	1,478	422	-	1,900	1,478	437	-	1,915	7.1%	42	-	42	11	1,969	69	353	1,474	1,827	-	-	-	2,604
2014	1,589	446	-	2,035	1,589	464	-	2,053	7.2%	-	-	-	14	2,067	32	385	1,689	2,075	-	-	-	2,801
2015	1,708	477	-	2,185	1,708	491	-	2,199	7.1%	-	-	-	15	2,214	29	414	1,910	2,324	-	-	-	3,025
2016	1,836	512	-	2,349	1,836	525	-	2,361	7.4%	-	-	-	17	2,377	29	443	2,137	2,580	-	-	-	3,278
2017	1,974	553	-	2,527	1,974	564	-	2,538	7.5%	-	-	-	18	2,555	28	471	2,369	2,840	-	-	-	3,560
2018	2,122	600	-	2,722	2,122	609	-	2,731	7.6%	-	-	-	19	2,750	28	499	2,608	3,107	-	-	-	3,874
2019	2,281	650	-	2,931	2,281	660	-	2,941	7.7%	-	-	-	20	2,961	29	528	2,854	3,382	-	-	-	4,222
2020	2,452	708	-	3,160	2,452	715	-	3,168	7.7%	-	-	-	21	3,189	29	557	3,106	3,663	-	-	-	4,605
2021	2,636	772	-	3,408	2,636	779	-	3,415	7.8%	-	-	-	22	3,437	29	586	3,366	3,952	-	-	-	5,025
2022	2,834	842	-	3,676	2,834	849	-	3,683	7.8%	-	-	-	23	3,706	30	616	3,634	4,250	-	-	-	5,487
2023	3,046	919	-	3,966	3,046	926	-	3,973	7.9%	-	-	-	25	3,997	32	648	3,909	4,557	-	-	-	5,993
2024	3,275	1,004	-	4,279	3,275	1,011	-	4,286	7.9%	-	-	-	26	4,312	33	681	4,193	4,875	-	-	-	6,547
2025	3,520	1,096	-	4,617	3,520	1,104	-	4,624	7.9%	-	-	-	27	4,652	35	716	4,486	5,202	-	-	-	7,153
	38,629	11,254	12	49,895	38,629	11,170	-	49,798		336	134	470	283	50,552	716				133	133		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 100%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	100%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
31,489	408	(253)	1,871	-	7	(7)	-	-
	Total Economic Cost:		33,515		2025 Ending Surplus / (Deficit)		5,174	

	(1)	(2)	(3)	(4) (1)+(2)+(3)	(5)	(6)	(7)	(8) (5)+(6)+(7)	(9)	(10)	(11)	(12) (10)+(11)	(13)	(14) (8)+(12)+(13)	(15) (14)-(4)	(16)	(17)	(18) (16)+(17)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	1,862
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	175	-	175	2,003
2007	958	286	9	1,253	958	112	-	1,070	0.6%	42	136	178	0	1,247	(6)	0	280	280	-	32	143	2,115
2008	1,030	338	7	1,375	1,030	323	-	1,353	26.5%	42	-	42	-	1,395	19	19	474	493	-	143	-	2,211
2009	1,107	358	-	1,464	1,107	372	-	1,479	9.3%	42	-	42	1	1,522	57	77	665	742	-	-	-	2,325
2010	1,190	393	-	1,583	1,190	393	-	1,583	7.1%	42	-	42	3	1,628	45	122	861	983	-	-	-	2,444
2011	1,279	427	-	1,706	1,279	433	-	1,712	8.1%	42	-	42	5	1,758	52	174	1,062	1,236	-	-	-	2,573
2012	1,375	450	-	1,825	1,375	470	-	1,845	7.8%	42	-	42	7	1,894	69	243	1,267	1,510	-	-	-	2,728
2013	1,478	476	-	1,954	1,478	495	-	1,973	7.0%	42	-	42	10	2,025	71	314	1,477	1,791	-	-	-	2,910
2014	1,589	500	-	2,089	1,589	523	-	2,112	7.1%	-	-	-	13	2,125	36	349	1,693	2,042	-	-	-	3,125
2015	1,708	534	-	2,242	1,708	550	-	2,258	6.9%	-	-	-	14	2,272	30	380	1,913	2,293	-	-	-	3,371
2016	1,836	572	-	2,408	1,836	587	-	2,423	7.3%	-	-	-	15	2,439	30	410	2,140	2,550	-	-	-	3,649
2017	1,974	617	-	2,591	1,974	629	-	2,603	7.4%	-	-	-	16	2,620	29	439	2,373	2,812	-	-	-	3,962
2018	2,122	668	-	2,790	2,122	678	-	2,800	7.6%	-	-	-	18	2,818	28	467	2,612	3,079	-	-	-	4,309
2019	2,281	724	-	3,005	2,281	735	-	3,016	7.7%	-	-	-	19	3,034	30	497	2,857	3,354	-	-	-	4,694
2020	2,452	787	-	3,240	2,452	796	-	3,248	7.7%	-	-	-	20	3,268	29	526	3,110	3,636	-	-	-	5,119
2021	2,636	858	-	3,494	2,636	866	-	3,502	7.8%	-	-	-	21	3,523	29	554	3,370	3,925	-	-	-	5,586
2022	2,834	936	-	3,770	2,834	944	-	3,778	7.9%	-	-	-	22	3,800	30	584	3,638	4,222	-	-	-	6,098
2023	3,046	1,022	-	4,068	3,046	1,030	-	4,076	7.9%	-	-	-	23	4,100	31	616	3,914	4,530	-	-	-	6,660
2024	3,275	1,116	-	4,390	3,275	1,124	-	4,399	7.9%	-	-	-	25	4,423	33	649	4,198	4,847	-	-	-	7,275
2025	3,520	1,219	-	4,739	3,520	1,227	-	4,748	7.9%	-	-	-	26	4,774	35	683	4,491	5,174	-	-	-	7,948
	38,629	12,503	17	51,149	38,629	12,413	-	51,042		336	136	472	259	51,773	683				175	175		

Mcare Phase-Out Model

Prepared for the Commission on the Mcare Fund

Key Assumptions:	
MCARE Phaseout Assumptions:	Status Quo - 110%
Interest Rate Paid on Debt:	5.25%, Coupon Equals Yield, Proceeds Equal Face
Interest Rate Earned on Mcare Surplus:	4.00%
Rate Environment Assumptions:	2% for 2007, Long-Term Thereafter
Premium Stabilization:	None
MCARE Overhead as % of Annual Claim Payments:	6.0%
Target Buffer for MCARE Assessment:	10.0%
Discount Rate for Present Value Calculations:	4.0%
Legislative Scenario:	Abatement through 12/31/2007
Target Surplus (% of Year-End Mcare Unfunded Liability):	20.0%
Assumption re: Mcare Projections:	110%

Present Value Summary Through 2025								
Total Charged to HCPs	Total State Support	Change in Surplus / (Deficit)	Change in Discounted Unfunded Liability	Adjusted Change in Tail Due to Limits Chg	Change in Beg PV Unfunded Liab (vs Act 13)	Change in Beg PV Tail Liab (vs Act 13)	Adjusted Uninsured CY Claims	Adjusted Discounted Uninsured Liability
32,236	422	(251)	2,070	-	7	(7)	-	-
	Total Economic Cost:		34,477		2025 Ending Surplus / (Deficit)		5,149	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
	Required Funds				Available Funds										Remaining Funds				Borrowing Details (ex Int)			
					Health Care Providers					PA State Support												
Year	Primary Premium	MCARE Claims and Oper Exp	Interest on Borrowed	Total Resources Required	Premium Paid by HCPs	MCARE Assessmnt net of Abatement	Premium Stabilization Fund	Total Charged to HCPs	% Change in Total Charged to HCPs	Auto CAT Fund	HCPRA Funds (Cig Tax)	Total State Support	Interest on Mcare Surplus	Total Resources Available	MCARE Incremental Annual Surp/(Def)	MCARE Cumulative Surplus / (Deficit)	Balance of HCPRA	Cumulative Total Surplus / (Deficit)	MCARE Loan Proceeds	MCARE Loan Repayment (principal)	Principal Outstanding	MCARE Unfunded Liability
2005															59	59		59	-	-	-	2,038
2006	939	223	-	1,162	939	125	-	1,064		42	-	42	2	1,108	(54)	6	220	226	217	-	217	2,213
2007	958	286	11	1,255	958	113	-	1,071	0.7%	42	137	179	0	1,250	(6)	0	281	281	-	25	192	2,364
2008	1,030	373	10	1,412	1,030	326	-	1,355	26.6%	42	15	57	-	1,412	-	0	461	461	-	159	33	2,471
2009	1,107	395	2	1,504	1,107	412	-	1,518	12.0%	42	-	42	-	1,560	57	57	654	711	-	33	-	2,595
2010	1,190	439	-	1,629	1,190	435	-	1,625	7.0%	42	-	42	2	1,669	40	97	850	947	-	-	-	2,722
2011	1,279	479	-	1,758	1,279	483	-	1,762	8.4%	42	-	42	4	1,808	50	147	1,050	1,196	-	-	-	2,857
2012	1,375	503	-	1,878	1,375	527	-	1,902	8.0%	42	-	42	6	1,950	72	219	1,254	1,473	-	-	-	3,021
2013	1,478	529	-	2,008	1,478	553	-	2,031	6.8%	42	-	42	9	2,082	74	293	1,464	1,757	-	-	-	3,215
2014	1,589	555	-	2,144	1,589	582	-	2,171	6.9%	-	-	-	12	2,183	39	332	1,679	2,011	-	-	-	3,448
2015	1,708	591	-	2,299	1,708	610	-	2,318	6.8%	-	-	-	13	2,332	33	365	1,899	2,264	-	-	-	3,716
2016	1,836	632	-	2,468	1,836	650	-	2,486	7.2%	-	-	-	15	2,501	33	398	2,125	2,523	-	-	-	4,021
2017	1,974	680	-	2,654	1,974	695	-	2,669	7.4%	-	-	-	16	2,685	31	428	2,357	2,786	-	-	-	4,363
2018	2,122	736	-	2,858	2,122	748	-	2,870	7.5%	-	-	-	17	2,887	29	457	2,596	3,053	-	-	-	4,744
2019	2,281	797	-	3,078	2,281	810	-	3,091	7.7%	-	-	-	18	3,109	31	488	2,841	3,329	-	-	-	5,167
2020	2,452	867	-	3,319	2,452	877	-	3,329	7.7%	-	-	-	20	3,349	30	518	3,093	3,611	-	-	-	5,634
2021	2,636	945	-	3,581	2,636	953	-	3,589	7.8%	-	-	-	21	3,610	30	548	3,352	3,900	-	-	-	6,147
2022	2,834	1,030	-	3,864	2,834	1,039	-	3,873	7.9%	-	-	-	22	3,895	31	578	3,619	4,197	-	-	-	6,710
2023	3,046	1,125	-	4,171	3,046	1,133	-	4,180	7.9%	-	-	-	23	4,203	32	610	3,894	4,504	-	-	-	7,327
2024	3,275	1,228	-	4,502	3,275	1,237	-	4,512	7.9%	-	-	-	24	4,536	34	644	4,178	4,821	-	-	-	8,004
2025	3,520	1,341	-	4,861	3,520	1,350	-	4,871	8.0%	-	-	-	26	4,897	35	679	4,470	5,149	-	-	-	8,744
	38,629	13,752	23	52,404	38,629	13,659	-	52,287		336	151	487	250	53,024	679				217	217		