

Med/Rx Projection – Rightway BAFO

October 2025 – September 2026 (data through March 2025)

Factor	Description	Medical	Rx	Annual total
	Provides a summary baseline for recent plan performance and represents the foundational cost assumption for projecting forward into future years			
Large claim adjustment	Adjusts for greater/fewer number of large claimants than expected in the experience period	+	(\$3.08)	\$0.00 (\$141,000)
Net Current 12 PMPM		=	\$348.40	\$194.34 \$24,870,000
Trend	Represents the assumed amount of plan cost inflation for the next 12 month cycle		6.0%	11.0%
Trend factor	Trend % applied to future period	X	1.091	1.169
Incurred adjustment	Converts paid claims to incurred; reflects plan sponsor liability for the plan year	X	1.005	1.004
Benefit plan changes	Factor for benefit plan design changes, network change, benefit design change, demographic change, anti-obesity medication adjustment, etc.	X	1.000	0.976
Current 12 Experience Rated Projection PMPM	Projected claims based on current rolling 12 plan experience.	= ER	\$382.08	\$222.75
PEPM adjustment	Converts PMPM to PEPM	X	2.22	2.22
Optional Claims Margin	Additional margin for adverse claims experience	0.0%	\$0.00	\$0.00 \$0
Rx Rebates			\$0.00	(\$152.74) (\$3,228,000)

Fixed Costs	Description	PEPM	Annual total
Administrative fees	Fees related to program administration	+	\$48.14 \$1,017,000
Individual stop-loss premium	Premium for individual stop-loss coverage	+	\$63.95 \$1,351,000
Lantern Fees	Fees related to Lantern program	+	\$4.25 \$90,000

Total costs	Total incurred PEPM cost of the plan including projected claims and fixed cost	\$1,303.42	\$27,543,000
Current budget	Current budget	\$1,150.06	\$24,303,000

Required increase/(decrease) \$:		\$153.37	\$3,240,000
Required increase/(decrease) %:		13.3%	13.3%

Based on employee enrollment of:		1,761	
Based on member enrollment of:		3,901	