

**From:** Wahlman, Jason <jason.wahlman@mercer.com>  
**Sent:** Tuesday, February 8, 2022 12:33 PM  
**To:** Smith, Rick  
**Cc:** Brown, Holly M  
**Subject:** [External] RE: Question on healthcare assumption data / source  
**Attachments:** Employer Costs for Employee Compensation - March 2021.pdf

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Rick,

For the AAW and ID/A health care cost assumption, we used the most recent data available at the time of fee development from BLS (March 2021). I have attached the source information we used. The current BLS data (September 2021) are available here: <https://www.bls.gov/news.release/pdf/ecec.pdf>. Note that the numbers are slightly different between the March and September data.

We calculated the health care costs with the March data using the following methodology:

1. Obtained the private industry health insurance cost per hour from Table 1
2. Applied a geographic adjustment by multiplying #1 by the ratio of Middle Atlantic total insurance costs to national total insurance costs (i.e., 1.19)
3. Converted this to a monthly dollar amount
4. Trended the monthly dollar amount to the midpoint of SFY 2022 using a health care trend factor of 2.00% (based on BLS employment cost index)

We validated this assumption against Pennsylvania data from the Kaiser Family Foundation, which was slightly lower than the calculated amount we used in fee development.

Please let us know if you have any further questions.

Thanks,  
Jason

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**From:** Smith, Rick <[REDACTED]>  
**Sent:** Monday, February 7, 2022 1:39 PM  
**To:** Wahlman, Jason <jason.wahlman@mercer.com>; Brown, Holly M <holly.brown@mercer.com>  
**Subject:** FW: Question on healthcare assumption data / source

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Hiya,  
Is there a public link to the healthcare cost info?  
Thanks

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**From:** Gladman, Kiernan <[REDACTED]>  
**Sent:** Monday, February 7, 2022 1:57 PM  
**To:** Smith, Rick <[REDACTED]>  
**Cc:** Stine, Brandon <[REDACTED]>  
**Subject:** Question on healthcare assumption data / source

Rick,

Where would we find the data to refer to / link to in our response to comments re: the decrease in healthcare insurance assumption rates?

I have a note in our bullet point info from Thursday that said to reference the data and link to it.

Ms. Kiernan Gladman | Fiscal and Grants Manager

PA Department of Human Services | Office of Developmental Programs

Bureau of Financial Management and Program Support

Email: [REDACTED]

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