EXHIBIT 22

Message

From: Marie Isaacson [Marie.Isaacson@azdoa.gov]
on behalf of Marie Isaacson <Marie.Isaacson@azdoa.gov> [Marie.Isaacson@azdoa.gov]
Sent: 12/6/2015 7:40:43 PM
To: Elizabeth Schafer [Elizabeth.Schafer@azdoa.gov]
Subject: FW: Transgender Coverage
Attachments: Transgender Coverage Analysis.xlsx

Elizabeth,
For inclusion in your summary.

Thank you,
Marie

From: Kelly Sharritts
Sent: Wednesday, October 28, 2015 3:51 PM
To: Marie Isaacson
Cc: Michael Meisner
Subject: Transgender Coverage

Marie,

From the sources quickly available on the internet, most studies find that the utilization and cost of covering transgender hormones, surgery, medication and/or mental health have an immaterial impact on the health plans.

Summary: The utilization estimates range from 1-11 claims per year and an average annual cost of $130k-$582k (0.02% - 0.08% of the $711M in medical costs) . UHC is an outlier in the estimated annual cost at $3.6M. The per month increase to cover these cost for the ~60k employees we currently have would range from $0.17 - $0.77 per month per employee.

The State of Oregon began covering transgender procedures and medications in 2013 after a lawsuit was filed and the state lost on the grounds that prohibiting the coverage was discriminatory under Oregon's Equality Act. The result was Oregon was required change their plans include transgender coverages and to pay the employee who initiated the lawsuit $36,000.

The State of Washington included transgender coverage in their plan in 2015. I spoke with Lou McDermott, Public Employee Benefits Director at the State of Washington, about the decision to cover these costs. They did not do an in-depth analysis to determine the costs. They determined that it was discriminatory to exclude the coverage and when brought to the legislature off session, it was approved with little to no backlash to not include this coverage. He indicated they included the coverage not due to the high demand to include it, but because of the discrimination risk of not covering these costs was high and there was not a lot of push to not include this coverage. Also, their assumption of the small number of people who this benefit would cover, then the even smaller number that would take the benefit, and the even fewer that would proceed with the surgery were so low that it would not have a significant impact on their costs. In an April 2015 Board Meeting, it was noted that the impact to premiums related to including this coverage was less than $1, in other words, no impact.

When looking at the City of San Francisco's data (while old - covering PY2001-2006) they showed a minimum utilization rate of 0.0324 per 1,000 employees and a max of 0.192 per 1,000 employees. The year with the highest costs was $183k and the lowest cost was $44k with an average annual cost over 5 years of $77k. They have an estimated 80,000 covered lives and 37,000 employees. When we apply the utilization and cost per claim found with San Francisco to our enrollment we estimated between 1-7 claims per year at an annual cost between $130k and $542k. This includes a 10% increase in average cost per claim compared to San Francisco in order to be conservative assuming our plan design has

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higher coverage. This also includes an inflation factor of 1.58 due to the old data used from San Francisco. (see attached spreadsheet)

University of California also implemented transgender coverage and found a utilization of 0.84 per 1,000 covered lives (note: San Francisco's utilization is based on employees , not covered lives) with an average cost of $30k. Using these numbers applied to our enrollment and increasing the average cost for the same 10% and 1.58 inflation as we did with San Francisco: There is an estimated 11 claims and an annual cost of $582k.

UHC indicated their public employers are who looking to implement transgender coverage are estimating a 0.5% increase in spend. If we apply this to our approximate $711M in medical costs ($558M for medical and $153M for pharmacy) estimated for FY2016, this would be and annual impact of $3.6M. Most companies are estimating extreme costs increasing to ensure they are covering themselves for the change in coverage. San Francisco implemented a premium surcharge to ensure enough revenue was collected and ended up collecting approximately $5.6M over 5 years when the total costs over those 5 years was only $383k. The 0.5% is much higher than the actual increases noted by the studies below.

I discussed with the benefits manager at the State of Colorado and she indicated that their fully insurance plans were required to includes these coverages and therefore, the included them in their self-insured options to ensure equal coverage between plans. The manager was not aware of any increase in the fully insured plans related to including this coverage and their self-insurance plans (which rates are set by Segal) did not increase either. She has asked if there have been any activity related to transgender coverage from her TPA's and there are not negligible activity.

Thanks,

Kelly J Sharritts, CPA
Audit and Finance Manager
ADOA- Benefit Services Division | State of Arizona
100 North 15th Avenue, Suite 103, Phoenix, AZ 85007
p: 602.542.4146 | m: 602.319.2652| f: 602.542.4048
Kelly.Sharritts@azdoa.gov
http://benefitoptions.az.gov/

How am I doing? Please take a few moments to answer a few questions.
https://www.surveymonkey.com/r/BenFinAu

	Max Utilization and Cost		Min Utilization and Cost		Max Utilization and Avg Cost	
	City of San Fran	Arizona Est+	City of San Fran	Arizona Est+	City of San Fran	Arizona Est+
Estimated Covered Lives[#]	80,000	133,000	80,000	133,000	80,000	133,000
Estimated Ratio	2.2	2.1	2.2	2.1	2.2	2.1
Total Employees#	37,209	63,333	37,209	63,333	37,209	63,333
Utilization per 1,000[#]	0.192	0.192	0.032	0.032	0.192	0.192
Estimated Utilization	7	12	1	2	7	12
Total Covered Lives	80,000	133,000	80,000	133,000	80,000	133,000
Utilization per 1,000	0.089	0.091	0.015	0.015	0.089	0.091
Estimated Utilization	7	12	1	2	7	12
PMPM Cost	$0.41	$0.71	$0.10	$0.17	$0.17	$0.30
Estimated Annual Cost[#]	$183,000	$541,547	$44,117	$130,554	$76,624	$226,751
Estimated Cost per Utilization^	$25,615	$44,535	$36,594	$63,623	$10,725	$18,647

The University of California experienced a utilization rate of 0.084 per 1,000 covered lives from 2009-2011 and an average cost of $29,929 ~. Applying that to our enrollment:

	Arizona Est+
Estimated Covered Lives	133,000
Estimated Ratio	2.1
Total Employees	63,333
Utilization per 1,000	0.177
Estimated Utilization	11
Total Covered Lives	133,000
Utilization per 1,000	0.084
Estimated Utilization	11
PMPM Cost	$0.77
Estimated Annual Cost	$582,720
Estimated Cost per Utilization*	$ 52,035

Notes:

^ Assuming our plan design covers approximately 10% more than San Fran. They have a 15% co-insurance and we have a $150 co-pay. Estimating the surgery cost $20,000 (per comment in State of Washington's public comments)

15% of 20,000 = 3,000 compared to $150 copay = 5%, using 10% to be conservative and a 1.58 inflation rate due to San Fran data being from 2001-2006

[#] http://www.hrc.org/resources/entry/san-francisco-transgender-benefit-actual-cost-utilization-2001-2006

* Using the same assumptions as above to increase the costs for a conservative esimate for our plan design

~University of California CY 2009: CY 2011 data
http://transgenderlawcenter.org/wp-content/uploads/2013/04/Economic-Impact-Assessment-Gender-Nondiscrimination-In-Health-Insurance.pdf

Inflation Estimate:
http://us.milliman.com/uploadedFiles/insight/Periodicals/mmi/2015-MMI.pdf
http://www.bds-corp.com/wp-content/uploads/2010/05/Milliman-Study-on-Family-of-4-Annual-Health-Costs.pdf

Milliman Health Cost Index

Year	
CY 2015	24,671
CY 2008	15,609
factor	1.58

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EXHIBIT 23

From: Rodrigues, Helena A - (hrodrigu)
Sent: Thursday, October 29, 2015 7:00 PM PDT
To: Marie Isaacson
Subject: Fwd: Williams Institute cost analysis
Attachments: WilliamsInst note.docx, ATT00001.htm

Hi, Marie:

I thought I would share this summary my colleague Kirsteen prepared for me. It's a look at the impact on cost when employers have added transgender coverage. I need to take a closer look myself, but I thought I would share now. Maybe we can talk about it when we next connect?

Helena

Sent from my iPad

Begin forwarded message:

From: "Anderson, Kirsteen E. - (keanderson)" <keanderson@email.arizona.edu>
Date: October 29, 2015 at 1:21:14 PM EDT
To: "Rodrigues, Helena A - (hrodrigu)" <hrodrigu@email.arizona.edu>
Subject: RE: Williams Institute cost analysis

Kirsteen E. Anderson
Program Coordinator
Division of Human Resources, Suite 113
(520) 621-0466
keanderson@email.arizona.edu

This 2013 study is a small study of the experiences of 34 employers who provide transition-related coverage in their health benefits plans.

Since 2008, the Human Rights Campaign has collected data for its Corporate Equality Index (CEI) on the provision of transition-related health care benefits by the largest U.S. employers (Fortune 1000 and AmLaw 200). A total of 49 employers reported providing this coverage in 2009. That number has grown to 287 as of the 2013 CEI, a nearly 600 percent increase over four years.

Beginning with the 2012 CEI, the Human Rights Campaign has required participating employers to make available to employees at least one transition-inclusive health benefits plan in order to receive full credit

Since 1979, the World Professional Association for Transgender Health (WPATH), formerly the Harry Benjamin International Gender Dysphoria Association, has established standards for appropriate and medically necessary care for the treatment of gender dysphoria.

The UC system has had transgender coverage since 2005 and would have probably the best information on experiences with insurance, if we have any contacts there. Insurers did not charge any additional premiums to add this insurance. CA Dept. of Insurance data show adding the benefit for one health plan represented a cost of $0.20 per member per month, or 0.05 percent of the total premium. The cost of individual claims ranged from $67 to $86,800, with an average cost per claimant of $29,929.

Beyond this information, the Executive Summary of the study is an excellent summation of the findings:

EXECUTIVE SUMMARY

In order to inform employer-based decisions and current policy debates regarding provision of this coverage, this study describes the experiences of 34 employers who provide transition-related coverage in their health benefits plans. Overall, we find that transition-related health care benefits have zero or very low costs, have low utilization by employees, and yet can provide benefits for employers and employees alike.

Employers report very low costs, if any, from adding transition-related coverage to their health benefits plans or from actual utilization of the benefit after it has been added – with many employers reporting no costs at all.

Based on data collected in this study, costs of providing transition-related health care coverage are very low, including for employers that cover a wider range of medical treatments or surgical procedures for transition.

Twenty-six of the 34 employers in this study provided information about the cost of adding transition-related coverage to existing health care plans.

- Eighty-five percent (85%) of these 26 employers reported no costs associated with adding the coverage, such as increases in premiums in the first year.
- Four employers (15%) reported costs due to adding the coverage. Three employers provided information about the costs they incurred from adding the coverage based on projections of utilization. These costs based on projections seem high in light of the findings from prior research and this study regarding actual costs and utilization rates. These projections may reflect actuarial overestimates of the utilization of these benefits and subsequent cost of claims. For instance, two employers reported a 1 percent increase in total cost to their transition-inclusive plans, based on projected benefit utilization, whereas two similarly-sized employers reported lower costs due to actual benefit utilization.

Twenty-one of the 34 employers in the study provided information about the actual costs from employees utilizing the transition-related health care coverage.

- Two-thirds (14 employers) reported no actual costs resulting from employees utilizing the coverage.
- One-third (7 employers) reported some actual costs related to utilization by employees. However only three of the seven employers reported the actual costs with any degree of specificity. All three of these employers reported that their actual costs from utilization are very low:
- In one case, actual cost over two years was only $5500, only 0.004 percent of total health-care expenditures. The other two employers characterized the costs as “negligible” and “minimal” at less than 1 percent of total costs or total claims paid.

Few people will utilize transition-related health-care benefits when they are provided.

Overall, we find that transition-related health care benefits have zero or very low costs, have low utilization by employees, and yet can provide benefits for employers and employees alike.

When an employee utilizes transition-related health care benefits, their claims may result in costs to their employer. The type, number and cost of services accessed by individuals will vary, yet as described above, the costs of these benefits, if any, are very low, as is the utilization of the benefit. While utilization rates depend on the size of the employer, estimates based on the best data gathered in the survey result in annual utilization rates of approximately:

- 1 out of 10,000 employees for employers with 1,000 to 10,000 employees, and
- 1 out of 20,000 employees for employers with 10,000 to 50,000 employees.

More specifically:

- Two employers with less than 1,000 employees reported zero transition-related claims over a combined six years of providing this type of coverage in their health benefits plans.
- For employers with 1,000 to 9,999 employees, average annualized utilization was 0.107, with a lower bound of 0.027 and an upper bound of 0.214 claimants per 1,000 employees.
- For employers with 10,000 to 49,999 employees, average annualized utilization was 0.044, with an upper bound of 0.054 claimants per thousand employees.

Employers reported that providing transition-related health care coverage benefits them in a variety of ways. Employers reported that they provide the coverage in order to:

- Make them competitive as an employer within their industries and help them with recruitment and retention of employees (60%);
- Reflect their corporate values, including equality and fairness (60%);
- Provide for the health care needs of their employees and improve employee satisfaction and morale (48%); and Demonstrate their commitments to inclusion and diversity (44%).

Not surprisingly, then, a majority of employers also reported that they would encourage other employers to add the coverage, and none would advise against adding the coverage.

With regard to the scope of transition-related health care coverage that employers are providing, while many transition-related claims would be covered under these employers' plans, some do not provide coverage for many medical treatments or surgical procedures that the WPATH *Standards of Care* describe as medically necessary when clinically indicated for an individual.

- Employers provide coverage in their health benefits plans that cover many medical treatments and surgeries that an individual may need for treatment of gender dysphoria. For most of the hormone therapies and genital surgeries asked about in the survey, 100 percent of transition-related benefits plans provide coverage.
- Plans are less likely to cover certain reconstructive procedures such as breast/ chest surgeries, electrolysis, facial surgeries and related procedures, and voice-related care.
- Only 59 percent of employers cover breast or chest reconstruction, with only a quarter covering electrolysis, certain facial procedures, and voice-related procedures.
- Plans also have other specified limitations in coverage:

  Forty-eight percent (48%) of transition-inclusive plans have some type of restriction on access to transition-related healthcare provided out-of-network, including restrictions of services provided outside of the United tates. These restrictions may limit access to transition-related

care since providers in the United States may not participate in certain health benefits plans. In this case, employees may seek services outside of their plan, elsewhere in the U.S., or in another country.

However, twenty-five employers (74%) offer transition-related benefits with no dollar limit. Almost all employers with a limit reported a $75,000 lifetime limit or higher (21%).

In this sample, there was no relationship between the scope of the coverage provided and reported costs of adding the coverage, meaning providing broader coverage did not result in higher costs for surveyed employers.

Of the 33 employers responding to questions about the process of adding transition-related health care benefits, 94 percent (31 employers) reported that there were no significant barriers to adding the coverage. Employers also provided practical guidance to other employers to aid them in adding the coverage for their employees. Employers recommended that other employers:

- Work with their insurers and Third Party Administrators to discuss the coverage they can offer and to address any shortcomings in their medical guidelines.
- Conduct research and consult with other employers that provide the coverage to better understand costs they may incur and to be better informed to negotiate with their insurers.
- Work with benefits administrators to make sure they are providing competent customer service to employees who inquire about transition-related health care benefits.

Overall, we find that transition-related health care benefits have very low costs, have low utilization rates by employees, and yet can provide benefits for employers and employees alike. Future research regarding transition-related health care coverage should consider the negative impact on employees, and therefore on employers, of not providing medically necessary care for treatment of gender dysphoria. Future research should also consider the cost savings to employers over time that result from providing the health care that their employees need.

EXHIBIT 24
LODGED
UNDER SEAL

EXHIBIT 25

Message

From: Elizabeth Schafer [Elizabeth.Schafer@azdoa.gov]
on behalf of Elizabeth Schafer <Elizabeth.Schafer@azdoa.gov> [Elizabeth.Schafer@azdoa.gov]
Sent: 2/24/2016 3:46:40 PM
To: Scott Bender [Scott.Bender@azdoa.gov]
CC: Yvette Medina [Yvette.Medina@azdoa.gov]
Subject: RE: States EE Coverage.xlsx

Scott, I checked several State Universities where the State requires coverage and their universities do have the coverage. In fact many of them refer employees to the same website that all State employees use. I added a Tab for some of the State Universities I checked. I also found an article that stated the Penn State just started having transgender coverage so I added them to the list. I think it is safe to assume in the State's where it is State law there is coverage offered. If you want me to check all of them though it is going to take quite a while.

There is quite a bit on the web about the universities offering the benefits to students. Just a note - all 3 Arizona State Universities offer transgender benefits for students. I cannot, however, find any centralized information on State Universities that offer benefits to their employees.

The link is attached for the updated document
S:\BSD\BENEFITS\Health Plan Data\CONTRACT AND COMPLIANCE\PLAN ADMINISTRATION\Plan Change Recommendations\Gender Reassignment\States EE Coverage.xlsx

If you want more let me know.

From: Scott Bender
Sent: Wednesday, February 24, 2016 2:58 PM
To: Elizabeth Schafer
Cc: Yvette Medina
Subject: RE: States EE Coverage.xlsx

Thanks Elizabeth, Did you find any additional detail on whether state universities covered it differently from the state itself?

From: Elizabeth Schafer
Sent: Monday, February 22, 2016 2:06 PM
To: Scott Bender <Scott.Bender@azdoa.gov>
Cc: Yvette Medina <Yvette.Medina@azdoa.gov>
Subject: States EE Coverage.xlsx

Attached is the Transgender Coverage by State. I also put a tab in or corporations that offer the coverage just for a nice to know. Let me know if you want something else. Thanks.

Elizabeth Schafer, CEBS
Plan Administrator
ADOA – Benefit Services Division | State of Arizona
100 North 15th Avenue, Suite 103, Phoenix AZ 85007
p: 602.364.1388 | f: 602.542.4048 | elizabeth.schafer@azdoa.gov

How am I doing? Please take a few moments to answer a few questions.
https://www.surveymonkey.com/r/VOCBenefits

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