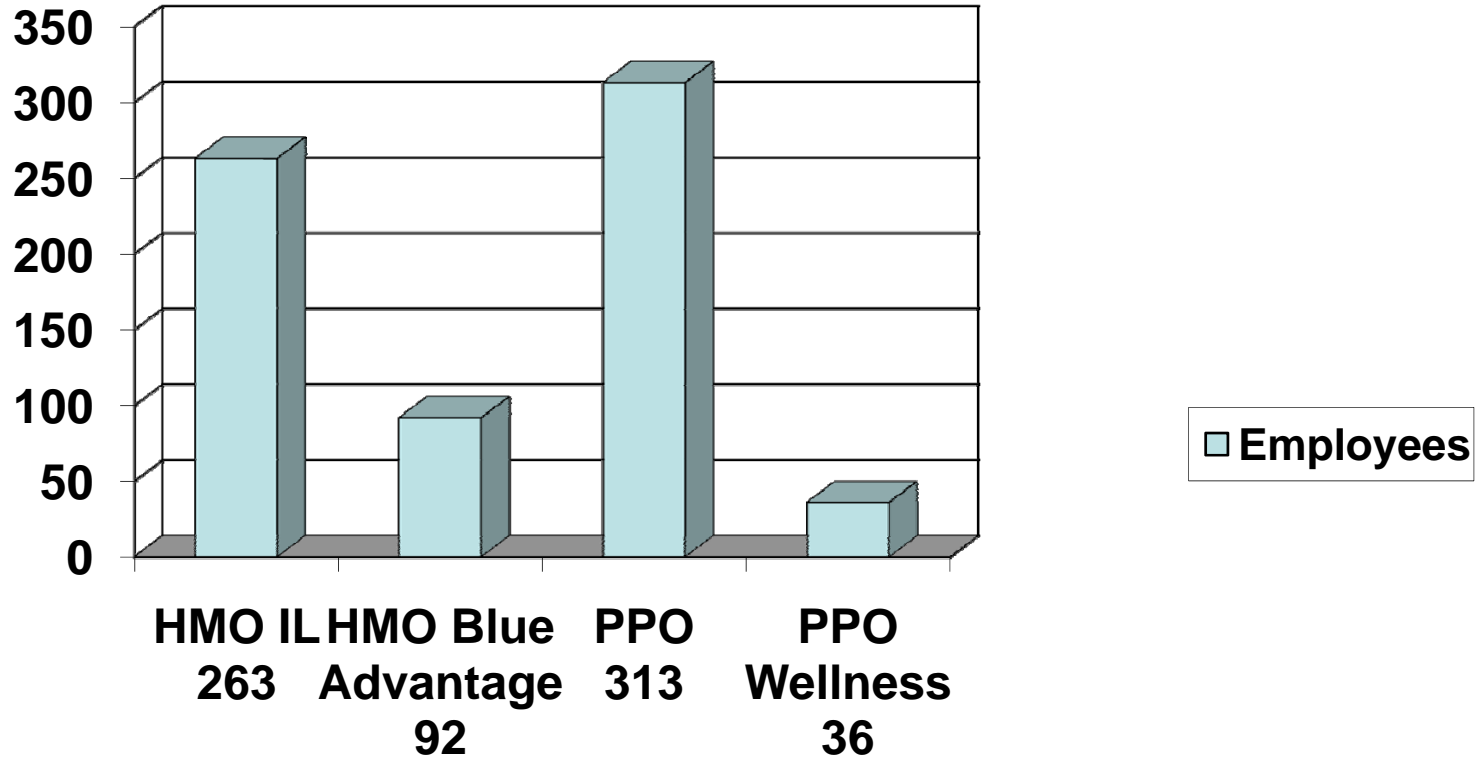


*MEDICAL INSURANCE
RENEWAL*

EMPLOYEES BY PLAN



RENEWAL INCREASE

	<u>PPO</u>	<u>HMO</u>
2011 Renewal Increase	+8.93%	+21.97%

Includes the Health Care Reform Provisions:

- Elimination of Lifetime Maximums
- Dependent Children up to age 26 – includes married children
- Eliminate Pre-X conditions for children under age 19
- Annual limits on dollar value of benefits is prohibited

TOTAL PLAN COSTS

Current PPO Annual Premium:	\$4,977,853
Renewal PPO Annual Premium:	<u>\$5,422,596</u>
DIFFERENCE:	+\$444,743
Current HMO Annual Premium:	\$3,434,527
Renewal HMO Annual Premium:	<u>\$4,188,974</u>
DIFFERENCE:	+\$754,447
TOTAL 2011 PLAN INCREASE:	\$1,199,190

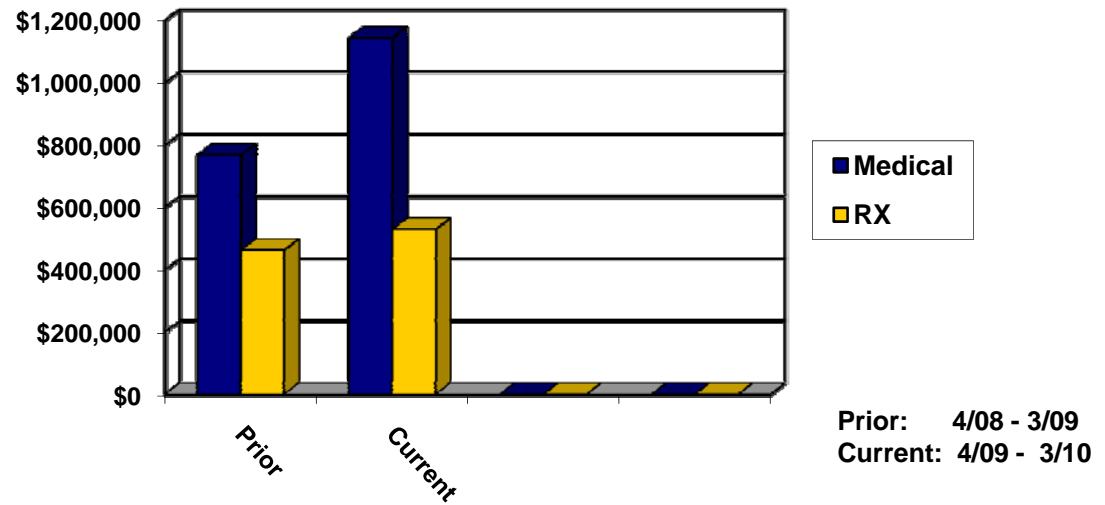
BCBS HMO PLAN EXPERIENCE

HMO ILLINOIS (263)

Experience increase over prior period +36.0%:

+49.0% Medical

+14.5% RX

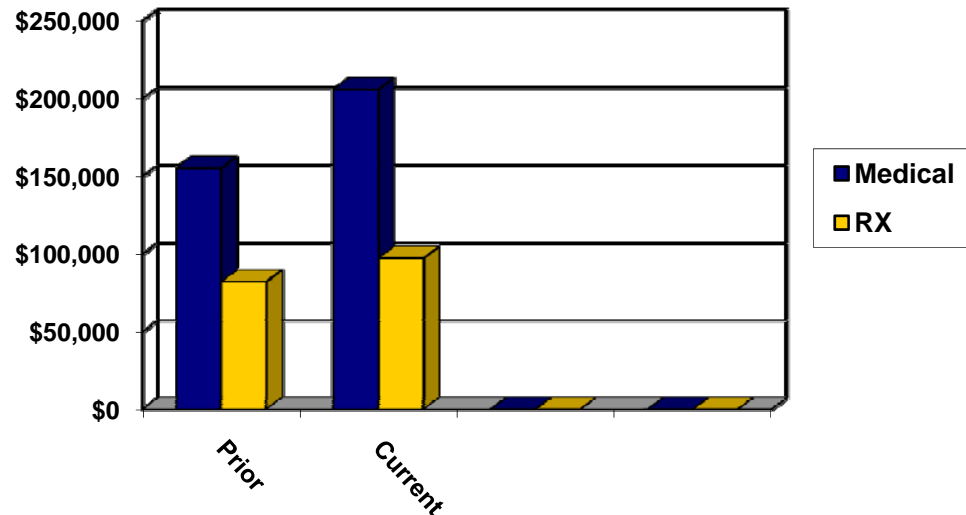


BlueAdvantage (82)

Experience increase over prior period +27.6%:

+32.5% Medical

+18.4% RX



Note: As Physicians are paid on a "capitation" basis; Medical Claims consist of Hospital Expenses.

2011 MEDICAL PLAN MARKETING

- 2011 Medical plans were marketed to ensure that BlueCross BlueShield rates are competitive
- Carriers included:
 - Aetna
 - CIGNA
 - Humana
 - United Healthcare
- Aetna, Humana and United Healthcare declined to quote rates
- CIGNA rates represent +47.41% increase over current rates.

CURRENT CONTRACT LANGUAGE

- “Should the annual premium increase by 16% or more for either the HMO or the PPO over the previous year’s premium for either the HMO or the PPO respectively, the Insurance Committee shall recommend plan design changes to reduce the premium increase to 16% for the plan that the premium is 16% or more.”

Benefit Plan Changes Required to bring HMO increase to 16%

	<u>2010</u>	<u>2011</u>
• Office/Specialist Co Pay:	\$15/\$25	\$25/\$35
• Emergency Room Co Pay:	\$100	\$300
• Inpatient Hospital Deductible:	\$250	\$500
• Add Outpatient Surgery Co Pay:	\$ 0	\$300
• Prescription Drugs:	Retail	Retail
– Generic	\$15	\$15
– Brand Formulary	\$30	\$45
– Brand Non-Formulary	\$60	\$85

Employee Premiums w HMO Benefit Changes

	Monthly	Monthly	26 Pay	26 Pay
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
<u>HMO IL</u>				
Self Only	\$ 60	\$ 73	\$ 28	\$ 34
Self & Sp	\$117	\$144	\$ 54	\$ 66
Self & Ch	\$126	\$154	\$ 58	\$ 71
Family	\$178	\$218	\$ 82	\$101
 <u>HMO BA</u>				
Self Only	\$ 38	\$ 50	\$ 18	\$ 23
Self & Sp	\$ 76	\$ 99	\$ 35	\$ 46
Self & Ch	\$ 81	\$105	\$ 37	\$ 48
Family	\$114	\$148	\$ 53	\$ 68

NEXT STEPS

Employee Premiums w/o HMO Benefit Changes

	Monthly	Monthly	26 Pay	26 Pay
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
<u>HMO IL</u>				
Self Only	\$ 60	\$ 99	\$ 28	\$ 46
Self & Sp	\$117	\$193	\$ 54	\$ 89
Self & Ch	\$126	\$207	\$ 58	\$ 95
Family	\$178	\$292	\$ 82	\$135
 <u>HMO BA</u>				
Self Only	\$ 38	\$ 70	\$ 18	\$ 32
Self & Sp	\$ 76	\$140	\$ 35	\$ 65
Self & Ch	\$ 81	\$149	\$ 37	\$ 69
Family	\$114	\$210	\$ 53	\$ 97