

# *Self-Funded Plans*



# Plan Cost Comparison

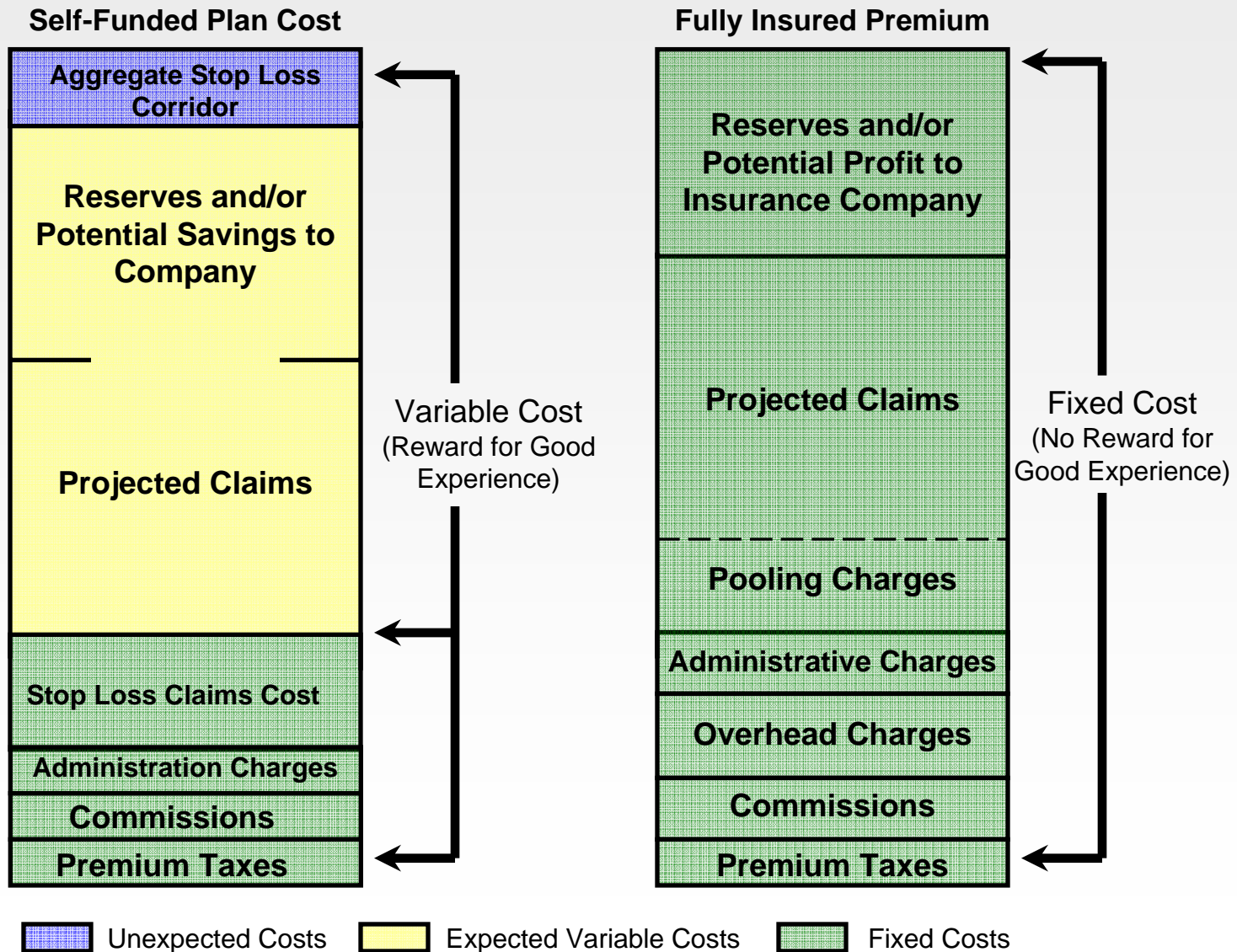
## Actual Self-Funded vs Fully-Insured Plan Options

Group Size: 73 Employees

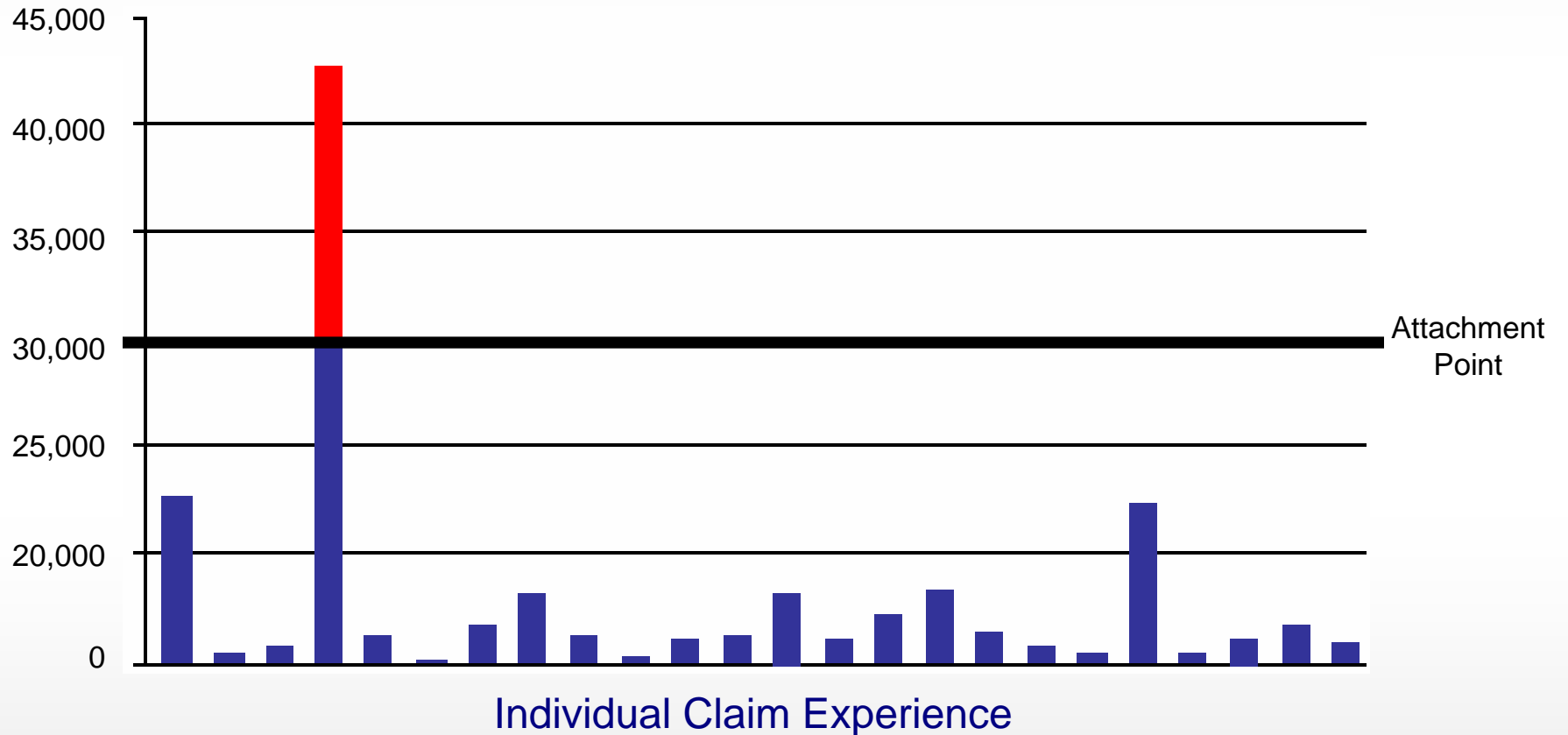
Carrier	Premium/Plan Costs			Total
	Year 1	Year 2	Year 3	
Wellmark/Blue Cross and Blue Shield	\$ 512,203.68	\$ 639,726.96	\$ 836,198.64	
John Deere Insurance	Declined	\$ 724,116.00	\$ 822,023.64	
Self-funded Maximum Cost	\$ 551,153.89	\$ 722,532.00	\$ 761,809.80	
United Healthcare	\$ 578,346.48	Declined	\$ 680,655.24	
Coventry Healthcare	Declined	\$ 650,778.96	Declined	
Self-funded Actual Cost	<b>\$ 472,442.16</b>	<b>\$ 551,153.89</b>	<b>\$ 536,590.09</b>	
Self-funded Plan Reserve Accumulation	\$ 78,711.73	\$ 171,378.11	\$ 225,219.71	\$ 475,309.55
Actual/Maximum:	-14%	-24%	-30%	
<p><b>The plan's actual costs are lower due to PPO discounts, case management services, disease management services, and effective TPA administration of the plan's benefits.</b></p>				

# Cost Comparison

## Analysis of Possible Savings – Self-Funded vs Fully Insured

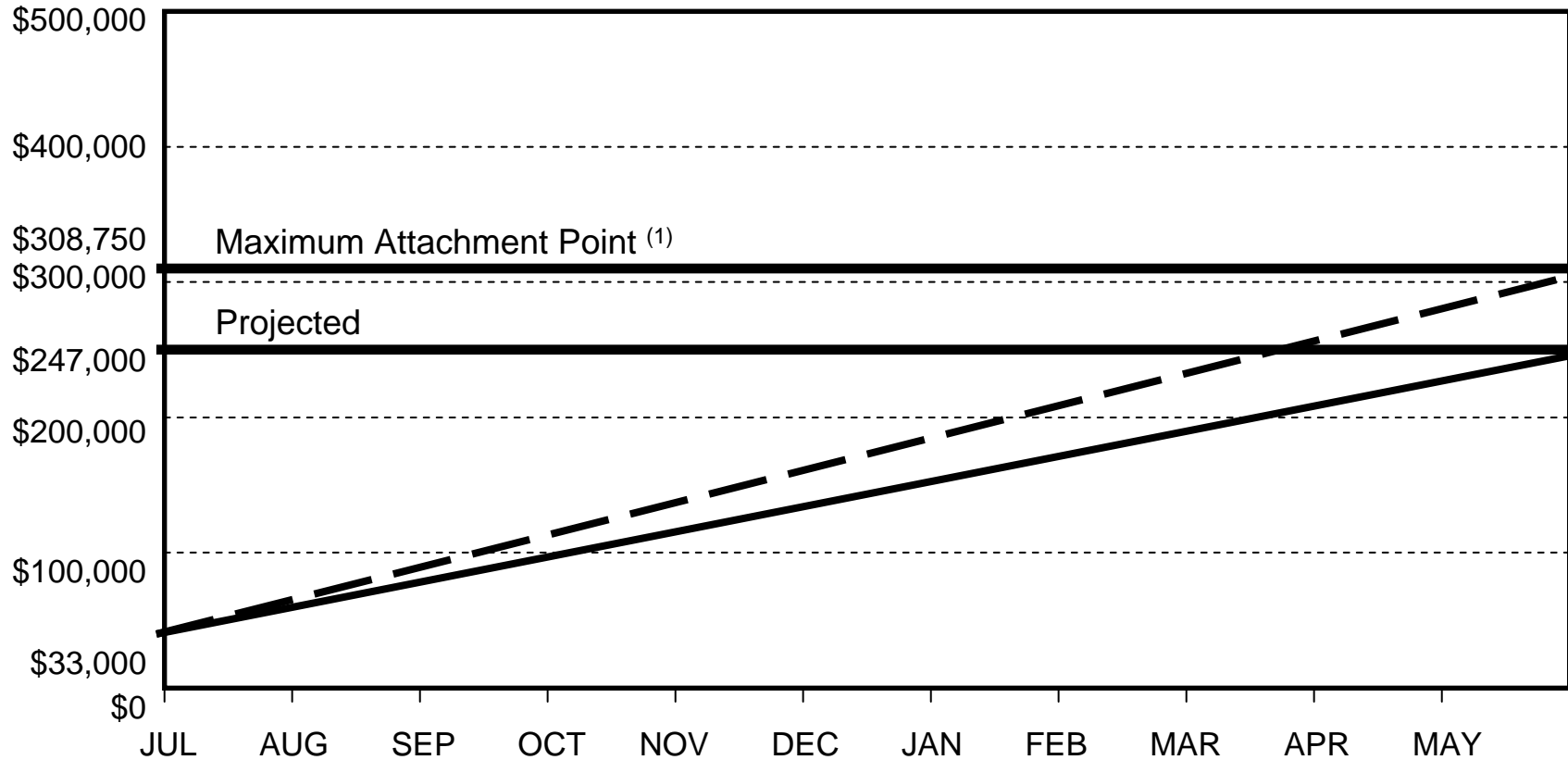


# Specific Stop-Loss Coverage



# Aggregate Stop-Loss Coverage

Plan-Year-To-Date Accumulation of Paid Claims



**Actual Claims**

— Equals Projected      - - - Equals Attachment Point

(1) Based upon actual census times monthly fund factors (125%)

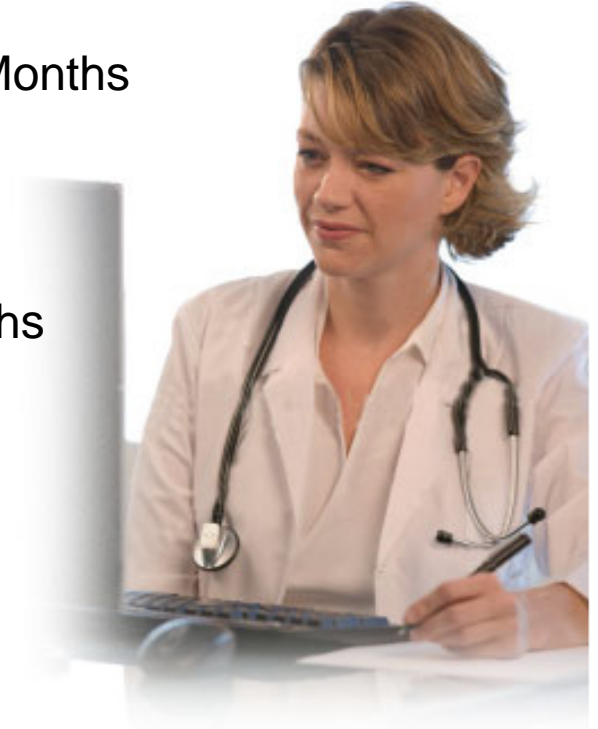
# Stop-Loss Contract Options

## Fully-Insured

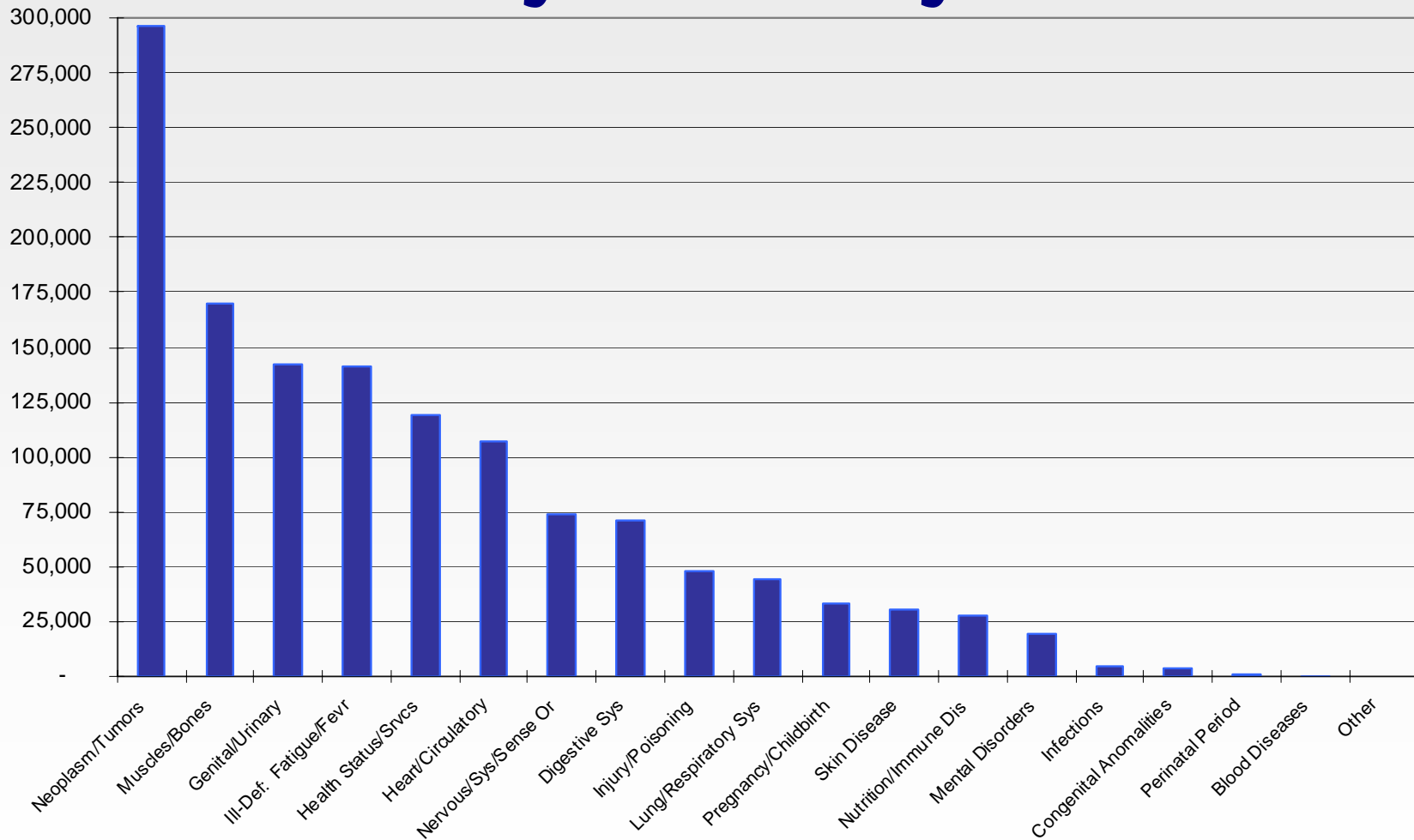
- 12/12 Incurred and Paid In 12 Months
- 12/15 Incurred in 12 Months; Paid within 15 Months

## Self-Funded

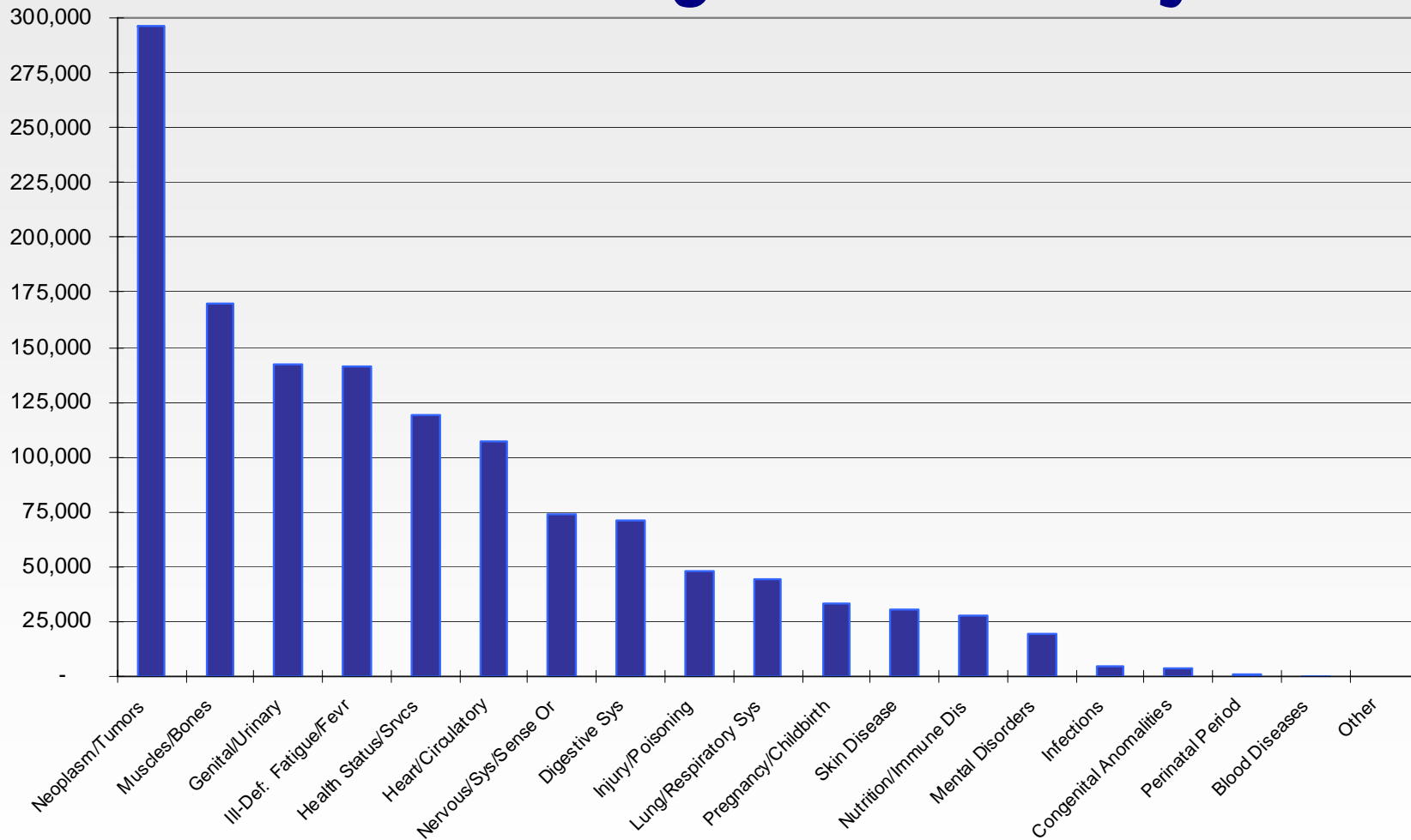
- 15/12 Incurred in 15 Months; Paid in 12 Months  
(Transition from Carrier A to Carrier B)
- PAID Incurred: All Dates; Paid in 12 Months



# Claim Payments by Benefit



# Medical Diagnosis Analysis

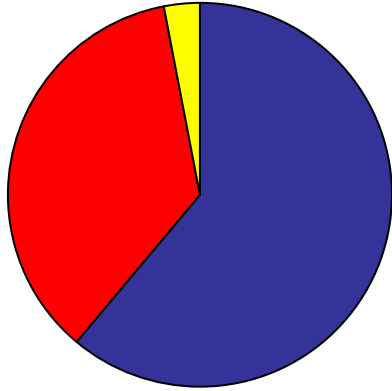


# Medical Payments By Benefit



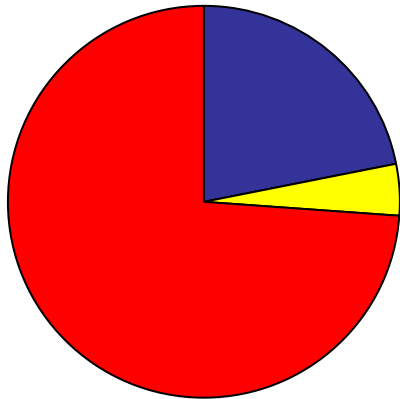
<b>Benefit</b>	<b>Benchmark % of Total</b>	<b>7/1/06 – 6/30/07</b>	<b>7/1/07 – 6/30/08</b>	<b>7/1/08 – 12/31/08</b>
Hospital Outpatient	13.9%	14.7%	26.0%	23.8%
Hospital Inpatient	24.4%	16.0%	17.7%	17.9%
Office Visit	13.8%	13.9%	16.2%	16.1%
Prescription	13.0%	13.0%	11.7%	11.1%
Chiropractic	1.3%	3.0%	2.5%	1.5%

# Brand & Generic Summary



Single-Source Brands (No Generics Available)	1,140	(36%)
Multi-Source Brands (Generics Available)	110	(3%)
Generics	1,925	(61%)



**Total Number of Prescriptions:** 3,175

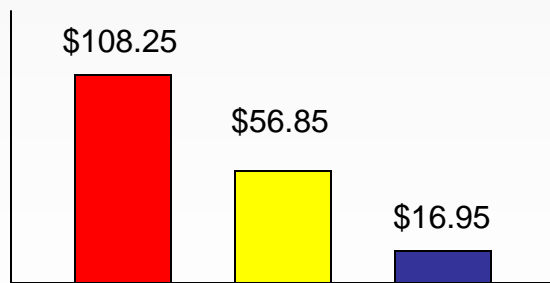


Single-Source Brands (No Generics Available)	\$160,965.63	(74%)
Multi-Source Brands (Generics Available)	\$8,502.35	(4%)
Generics	\$47,901.28	(22%)

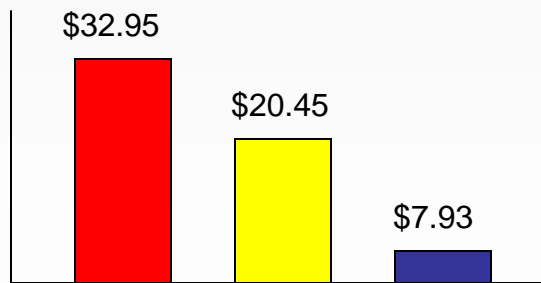
**Total:** \$217,369.26

# Contributions To Brand & Generic Therapies

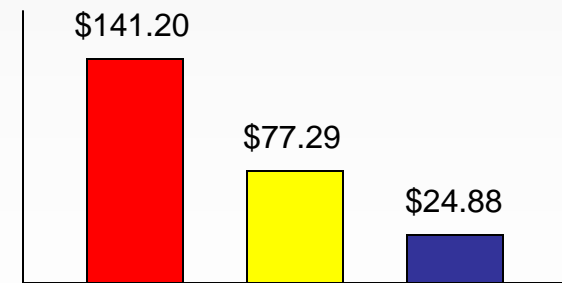
	Average Plan Cost/Prescription	Average Co-Pay Cost/Prescription	Average Total Cost/Prescription	Average Discount Off AWP
 Single-Source Brands (No Generics Available)	\$108.25	\$32.95	\$141.20	14.51%
 Multi-Source Brands (Generics Available)	\$56.85	\$20.45	\$77.29	15.24%
 Generics	\$16.95	\$7.93	\$24.88	69.12%



Average Plan Cost



Average Co-pay Cost



Average Total Cost

# ***Managing The Plan***



- Customized Plan Design
  - Wellness/Routine Physical Benefits
  - Prilosec OTC Coverage
  - Mandatory Generic Drug Provision
- Comprehensive Monthly Reports
- Disease Management Programs
- Predictive Modeling Reporting
  - Group Characteristics
  - Unknown Risks
  - Identifying High Risk Claimants
- Provider Negotiations
  - Non-PPO Claims
  - Out-of-State Claims
- Case Management
  - Unknown Risks



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