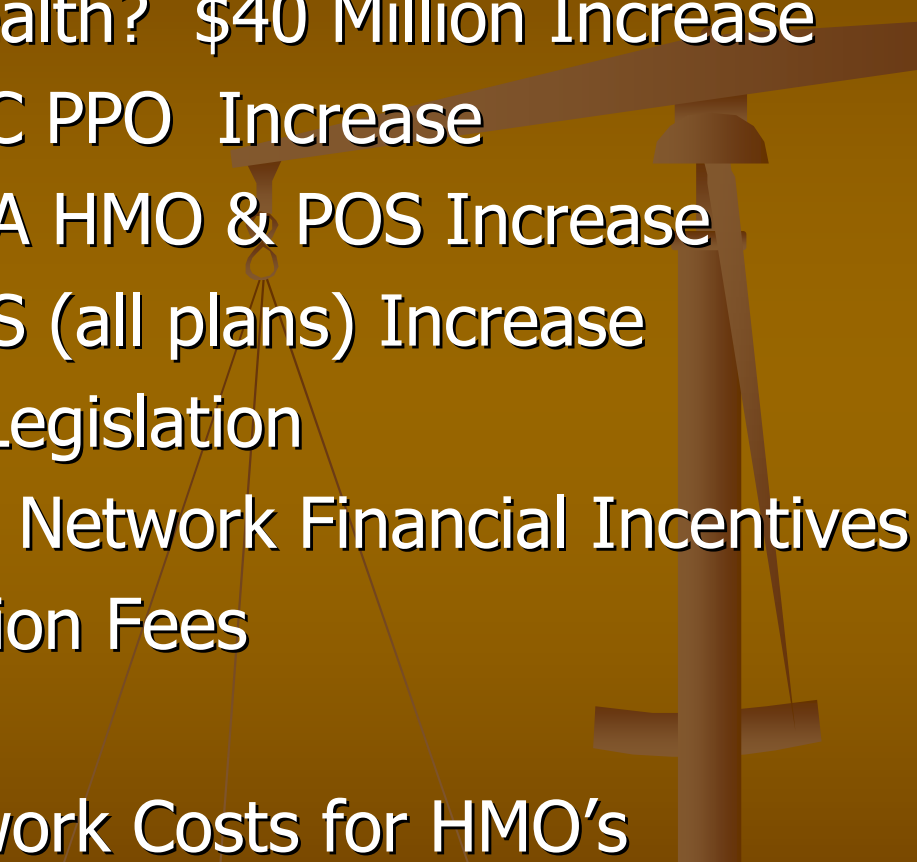


2008 ASE Insurance Report



Rates and Plan Changes

ARHealth

- Why Change to ARHealth? \$40 Million Increase
 - 13.65% BC PPO Increase
 - 18.28% HA HMO & POS Increase
 - 19.74% NS (all plans) Increase
 - Any Willing Provider Legislation
 - Eliminated Network Financial Incentives
 - Decrease Administration Fees
 - \$3 Million out-of-network Costs for HMO's
- 

Plan Design Changes

- \$25 PCP Visit
- \$35 Specialist Visit & Chiropractic
- \$30 Brand Formulary Drug
- \$60 Brand non-formulary
- 10% Coinsurance
- \$250 Radiology-CT, MRI, MRA, PET
- Remove Dental & Vision
- Open Network-no Referrals
- \$2000 Family Coinsurance Limit



Plan Costs

■ 2007

- State Contribution \$129 Million
- Other Contribution \$ 6 Million
- Reserve Contribution \$15 Million
- Plan Design Changes \$0
- Employee Contribution \$69 Million
- Total Projected \$221 Million

■ 2008

- State Contribution \$148 Million
- Other Contribution \$6 Million
- Reserve Contribution \$0
- Plan Design Changes \$12 Million
- Employee Contribution \$80 Million
- Total Projected \$249 Million