



PARTNERSHIP FOR HEALTH AND WELFARE BENEFITS MANAGEMENT

OKHEE
PRE-RENEWAL MEETING

May 5, 2016

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It should be noted that this presentation is considered incomplete without the accompanied oral comments.

Agenda

Section 1 – Renewal Summary

- Historical Summary
- Projections

Section 2 – Alternative Planning Options

- Plan Options Savings/Cost Summary
- Medical Plan Design Scenarios
- Contribution Modeling Impact Analysis
- Hospital Referenced Base Pricing
- Health Care Highway Network

Section 3 – Value Added Services

- Zero Card
- Compass Professional Health Services
- Voluntary Benefits/Technology Funding
- TaxSaver Cafeteria Plan Administration

Section 4 – Appendix

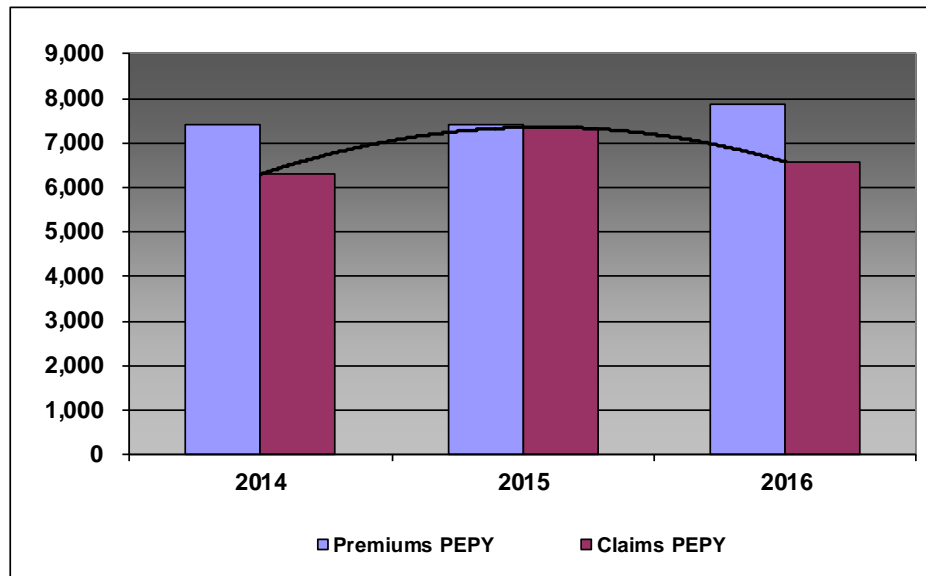
- Financial Summary
- Introduction to Self-Funding
- Self-Funded Plan Consideration
- Differences in Compliance Requirements with Respect to Self-Funding



Renewal Summary

Medical / Prescription Drug Plan

Historical Summary



Time Period	Average Employees	Premiums	Claims	Loss Ratio
2014	5,819	\$43,071,240	\$36,647,282	85.1%
2015	5,188	\$38,450,384	\$38,150,314	99.2%
2016	5,190	\$10,190,674	\$8,534,828	83.8%

Time Period	Premiums PEPY	Change from Prior Year	Claims PEPY	Change from Prior Year
2014	\$7,402		\$6,298	
2015	\$7,412	0.1%	\$7,354	16.8%
2016	\$7,854	6.0%	\$6,578	-10.6%

Assumptions and Notes

PEPY = Per Employee Per Year

Medical Projection Estimate

Time Periods			
Base Period:	April 01, 2015	thru	March 31, 2016
Renewal Period:	January 01, 2017	thru	December 31, 2017
Renewal Projection	Medical / RX		Total
Lagged Subscribers	62,203		62,203
Lagged Members	85,034		85,034
Current Subscribers			5,186
Current Members			7,120
Member Ratio			1.37
		Medical	Rx
Paid claims		\$26,943,741	\$11,500,476
Removal of Large Claims	\$320,000	\$4,313,689	
Total Adjusted Incurred Claims		\$22,630,052	\$11,500,476
Annual Trend		7.9%	7.9%
Midpoint Months		21	21
Compounded Applied Trend		14.2%	14.2%
Benefit Changes		0.0%	0.0%
Trended Incurred Claims		\$25,850,746	\$13,137,216
Non-Pooled Claimants	9	\$2,880,000	
Total Incurred Claims		\$28,730,746	\$13,137,216
Total Projected Incurred Claims Based on Current Enrollment		\$28,744,141	\$13,143,341
Pooling Charge		\$1,244,640	
Retention Costs		\$3,332,087	\$1,460,371
Premium Needed		\$33,320,868	\$14,603,712
a. Needed Premium Per Member		\$389.99	\$170.92
b. Current Premium Per Member			\$476.31
c. Projected Adjustment To Current			17.76%
Notes			
Actual renewal will vary.			

Dental Projection Estimate

Time Periods			
Base Period:	April 01, 2015	thru	March 31, 2016
Renewal Period:	January 01, 2017	thru	December 31, 2017

Renewal Projection	Total
Lagged Subscribers	65,154
Lagged Members	99,941
Current Subscribers	5,533
Current Members	8,592
Member Ratio	1.55

	Dental	Total
Paid claims	\$2,870,060	\$2,870,060
Annual Trend	3.4%	
Midpoint Months	21	
Compounded Applied Trend	6.0%	
Benefit Changes	0.0%	
Trended Incurred Claims	\$3,043,000	\$3,043,000
Total Projected Incurred Claims Based on Current Enrollment	\$3,101,007	\$3,101,007
Retention Costs	\$344,556	\$344,556
Premium Needed	\$3,445,564	\$3,445,564
a. Needed Premium Per Member	\$33.42	\$33.42
b. Current Premium Per Member		\$32.45
c. Projected Adjustment To Current		2.98%

Notes
Actual renewal will vary.



Alternative Planning Options



Plan Options Savings/Cost Summary

Medical & Contributions

Medical*	Estimated Impact to Current Premium	% Increase to Current	Funding Basis	Notes	Comments
Renewal	\$8,236,512	20.2%	Fully Insured	Renew with current benefits	Refer to plan design grid page 11
Plan Change Scenario 1	\$774,685	1.9%	Fully Insured	High Impact, keep premium close to current	Refer to plan design grid page 12
Plan Change Scenario 2	\$6,441,959	15.8%	Fully Insured	Mirror OSU plan	Refer to plan design grid page 16
Plan Change Scenario 3	\$7,950,713	19.5%	Fully Insured	BCBS recommendation	Refer to plan design grid page 17
Plan Change Scenario 4	\$9,255,489	22.7%	Fully Insured	Mirror OU plan	Refer to plan design grid page 18
Plan Change Scenario 5	\$4,600,000	11.3%	Self Funded	Self Funding with BCBSOK	Refer to Self Funding Exhibits pages 14
Plan Change Scenario 6	(\$509,198)	-1.2%	Self Funded	Possible Employee Disruption	Hospital Reference Based Pricing page 20
Plan Change Scenario 7	\$7,993,589	19.6%	Self Funded	Possible Employee Disruption	Healthcare Highway Network with TPA page 21
Contributions	Estimated Impact to Current Premiums	% Increase to Current	Funding Basis	Notes	Comments
Contribution Model Standardization	\$894,247 - \$3,649,323	2.74% - 11.18%	Fully Insured	Possible Employee Disruption	Standardize contribution model to establish consistency page 22

*Line items 1 -6 Removing Health Assessment Incentive provides a savings impact of 0.50%

Plan Options Savings/Cost Summary

Pharmacy & Dental

Rx	Savings Opportunity	% Savings to Renewal	Funding Basis	Notes	Comments
Proton Pump Inhibitor	(\$442,000)	-0.9%	Fully Insured	Possible Employee Disruption	Exclude both generic and brand as PPI's are available over the counter at low cost. Estimated savings of 3.4% to drug cost or 0.9% overall cost
Member pay the difference - DAW2	(\$231,444)	-0.5%	Fully Insured	Possible Employee Disruption	This is where members would pay the difference in cost between brand and generic if generic is available if they request a brand. Claims Impacted 561 Impacted Members 143
Member pay the difference - DAW1&2	(\$340,332)	-0.7%	Fully Insured	Possible Employee Disruption	This is where members would pay the difference in cost between brand and generic if generic is available. Estimated 0.37% impact
6 Tier Plan - Coinsurance Design	(\$543,401)	-1.1%	Fully Insured	Possible Employee Disruption	6 tier (preferred generic, non-preferred generic, preferred brand, non-preferred brand, preferred specialty, non-preferred specialty)
Change in day supply	(\$119,600)	-0.2%	Fully Insured	Possible Employee Disruption	Max supply reduced from 102 days to 30 and 60 day levels per copay. Estimated <i>-0.92% to drug claims</i>
Change in quantity limits	(\$52,000)	-0.1%	Fully Insured	Possible Employee Disruption	Quantity limits-Change to Non-maintenance day supply-30, Maintenance Day Supply: 90 with one copay per 30. Quantity limit-Non maintenance 120, Maintenance 360. <i>-0.4% to drug claims</i>
Carve Out Pharmacy	(\$1,170,000)	-2.4%	Self Funded	Possible Employee Disruption	Carving out Pharmacy Benefits . Estimated -9.0% to drug claims
Dental	Estimated Impact to Current Premium	% Increase to Current	Funding Basis	Notes	Comments
Renewal	\$193,231	5.7%	Fully Insured	Renew with current benefits	No Change to plan designs
Plan Change Scenario 2	\$464,008	13.7%	Fully Insured	Improved benefit for employees	Adding Ortho to Adults

Medical Plan - Renewal (20.2%↑)

Fully Insured

			BCBSOK							
			Red Plan - Blue Choice PPO		White Plan			Blue Plan		
General Plan Information			In-Network	Out of Network	Blue Preferred PPO	Blue Choice PPO	Blue Traditional	Out of Network	In-Network	Out of Network
Calendar Year Deductible			\$1,000/Ind; \$3,000/Family	\$1,000/Ind; \$3,000/Family	\$1,250/Ind; \$3,750/Family	\$1,250/Ind; \$3,750/Family	\$1,250/Ind; \$3,750/Family	\$1,250/Ind; \$3,750/Family	\$500/Ind; \$1,000/Family - After first \$500 of medical charges per Ind, which is covered at no charge	\$500/Ind; \$1,000/Family - After first \$500 of medical charges per Ind, which is covered at no charge
Calendar Year Max Out-Of-Pocket			\$3,300/Ind; \$9,900/Family	\$3,800/Ind; \$11,400/Family	\$3,500/Ind; \$10,500/Family	\$4,000/Ind; \$12,000/Family	\$4,500/Ind; \$13,500/Family	\$6,500/Ind; \$13,000/Family	\$5,500/Ind; \$11,000/Family	\$5,500/Ind; \$11,000/Family
Co-Insurance			Plan Pays 80% after CYD	50% Co-insurance after CYD	Plan Pays 80% after CYD	Plan Pays 70% after CYD	Plan Pays 60% after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Primary Care Office Visit			\$25 copay	50% Co-insurance after CYD	\$25 copay	\$35 copay	Plan Pays 60% after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Specialist Office Visit			\$40 copay	50% Co-insurance after CYD	\$40 copay	\$50 copay	Plan Pays 60% after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Routine Health Exams			No Charge	Plan Pays 70% after CYD	No Charge	No Charge	No Charge	Plan Pays 70% after CYD	No Charge	Plan Pays 70% after CYD
Childhood Immunizations			No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge
Emergency Room			\$100 copay; then 80% after CYD (copay waived if admitted)		\$150 copay; then 80% after CYD (copay waived if admitted)			50% Co-insurance after CYD		
Health Assessment			\$250 deductible credit for each covered member (EE, Spouse, & Dep>18) that completes							
Pharmacy										
RUSO: Generic & Preferred - <\$100 OU/OSU: Generic			Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$25 or Cost	Lesser of \$25 or Cost	Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost
RUSO: Generic & Preferred - >\$100 OU/OSU: Preferred			Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$50 or 25% of Cost	Lesser of \$50 or 25% of Cost	Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost
RUSO: Non-Preferred - <\$100 OU/OSU: Non-Preferred			Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$50 or Cost	Lesser of \$50 or Cost	Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost
RUSO: Non-Preferred - >\$100 OU/OSU: Specialty			Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$100 or 50% of Cost	Lesser of \$100 or 50% of Cost	Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost
Max supply per copay			102 day/300 quantity							

Medical Plan Scenario 1 (1.9%)

Fully Insured – Premium Pass Plan Design

General Plan Information	BCBSOK					
	\$2000 - BlueOptions PPO			\$750 - BluePreferred		
	Blue Preferred PPO In-Network	Blue Choice PPO In-Network	Blue Traditional PPO In-Network	Out of Network	BluePreferred	Out of Network
Calendar Year Deductible	\$2,000/Ind; \$6,000/Family	\$2,500/Ind; \$7,500/Family	\$3,000/Ind; \$9,000/Family	\$3,500/Ind; \$10,500/Family	\$750/Ind; \$1,500/Family	\$1,750/Ind; \$3,500/Family
Calendar Year Max Out-Of-Pocket	\$4,000/Ind; \$12,000/Family	\$5,000/Ind; \$15,000/Family	\$6,000/Ind; \$18,000/Family	\$10,500/Ind; \$28,500/Family	\$5,500/Ind; \$11,000/Family	\$7,000/Ind; \$14,000/Family
Co-Insurance	80% Co-insurance after CYD	70% Co-insurance after CYD	60% Co-insurance after CYD	50% Co-insurance after CYD	60% Co-insurance after CYD	50% Co-insurance after CYD
Primary Care Office Visit	\$25 copay	\$25 copay	\$25 copay	Plan Pays 50% after CYD	Plan Pays 60% after CYD	Plan Pays 50% after CYD
Specialist Office Visit	\$50 copay	\$50 copay	\$50 copay	Plan Pays 50% after CYD	Plan Pays 60% after CYD	Plan Pays 50% after CYD
Routine Health Exams	No Charge	No Charge	No Charge	Plan Pays 50% after CYD	No Charge	Plan Pays 50% after CYD
Childhood Immunizations	No Charge	No Charge	No Charge	Covered up to the allowed amount	No Charge	Covered up to the allowed amount
Emergency Room	\$200 copay; Plan pays 80% after CYD	\$200 copay; Plan pays 80% after CYD	\$200 copay; Plan pays 80% after CYD	Plan Pays 50% after CYD	Plan Pays 60% after CYD	Plan Pays 50% after CYD
Health Assessment						
Pharmacy						
RUSO: Generic & Preferred - <\$100 OU/OSU: Generic	\$10 retail; \$20 mail order	\$10 retail; \$20 mail order	\$10 retail; \$20 mail order	30% after \$10 copay of allowed amount	Plan Pays 85% after CYD	Plan Pays 60% after CYD
RUSO: Generic & Preferred - >\$100 OU/OSU: Preferred	\$30 retail; \$60 mail order	\$30 retail; \$60 mail order	\$30 retail; \$60 mail order	30% after \$30 copay of allowed amount	Plan Pays 85% after CYD	Plan Pays 60% after CYD
RUSO: Non-Preferred - <\$100 OU/OSU: Non-Preferred	\$60 retail; \$120 mail order	\$60 retail; \$120 mail order	\$60 retail; \$120 mail order	30% after \$60 copay of allowed amount	Plan Pays 85% after CYD	Plan Pays 60% after CYD
RUSO: Non-Preferred - >\$100 OU/OSU: Specialty	Covered	Covered	Covered	Covered up to the allowed amount	Covered	Plan Pays 60% after CYD

Medical Plan Scenario 2 (15.8%)

Fully Insured – Mirror OSU Plans

General Plan Information	BCBSOK					
	BlueOptions PPO			BlueEdge HSA		
	Blue Preferred PPO In-Network	Blue Choice PPO In-Network	Out of Network	Blue Choice PPO In-Network	Out of Network	
Calendar Year Deductible	\$750/Ind; \$2,250/Family	\$750/Ind; \$2,250/Family	\$750/Ind; \$2,250/Family	\$2,600/Ind; \$5,200/Family	\$2,600/Ind; \$5,200/Family	
Calendar Year Max Out-Of-Pocket	\$4,250/Ind; \$12,700/Family	\$4,250/Ind; \$12,700/Family	\$4,250/Ind; \$12,700/Family	\$6,550/Ind; \$13,100/Family	\$6,550/Ind; \$13,100/Family	
Co-Insurance	80% Co-insurance after CYD	70% Co-insurance after CYD	50% Co-insurance after CYD	80% Co-insurance after CYD	50% Co-insurance after CYD	
Primary Care Office Visit	\$30 copay	\$30 copay	Plan Pays 50% after CYD	Plan Pays 80% after CYD	Plan Pays 50% after CYD	
Specialist Office Visit	\$50 copay	\$50 copay	Plan Pays 50% after CYD	Plan Pays 80% after CYD	Plan Pays 50% after CYD	
Routine Health Exams	No Charge	No Charge	Plan Pays 70% after CYD	No Charge	Plan Pays 70% after CYD	
Childhood Immunizations	No Charge	No Charge	Plan Pays 70% after CYD	No Charge	Plan Pays 70% after CYD	
Emergency Room	ER Room: \$100 copay; Plan Pays 80% after CYD Med Trans: No Charge Urgent Care: Plan Pays 80% after CYD	ER Room: \$100 copay; Plan Pays 80% after CYD Med Trans: No Charge Urgent Care: Plan Pays 70% after CYD	ER Room: \$100 copay; Plan Pays 80% after CYD Med Trans: No Charge Urgent Care: Plan Pays 50% after CYD	ER Room & Urgent Care: Plan Pays 80% after CYD Med Trans: No Charge	ER Room: Plan Pays 80% after CYD Med Trans: No Charge Urgent Care: Plan Pays 50% after CYD	
Health Assessment	N/A					
Pharmacy						
RUSO: Generic & Preferred - <\$100 OU/OSU: Generic	\$4 copay	\$4 copay	\$75 copay	Plan Pays 80% after CYD	Plan Pays 80% after CYD	
RUSO: Generic & Preferred - >\$100 OU/OSU: Preferred	\$50 copay	\$50 copay	\$125 copay	Plan Pays 80% after CYD	Plan Pays 80% after CYD	
RUSO: Non-Preferred - <\$100 OU/OSU: Non-Preferred	\$100 copay	\$100 copay	\$125 copay	Plan Pays 80% after CYD	Plan Pays 80% after CYD	
RUSO: Non-Preferred - >\$100 OU/OSU: Specialty	\$150 copay	\$150 copay	\$200 copay	Plan Pays 80% after CYD	Plan Pays 80% after CYD	

Medical Plan Scenario 3 (19.5%)

Fully Insured – BCBS Recommendations

			BCBSOK					
			\$1500 - BlueOptions PPO		\$2000 - Blue Choice H.S.A		Blue Plan	
General Plan Information			Blue Preferred PPO In-Network	Out of Network	Blue Choice PPO In-Network	Out of Network	In-Network	Out of Network
Calendar Year Deductible			\$1,500/Ind; \$4,500/Family	\$2,000/Ind; \$6,000/Family	\$2,000/Ind; \$6,000/Family	\$2,500/Ind; \$7,500/Family	\$500/Ind; \$1,000/Family - After first \$500 of medical charges per Ind, which is covered at no charge	\$500/Ind; \$1,000/Family - After first \$500 of medical charges per Ind, which is covered at no charge
Calendar Year Max Out-Of-Pocket			\$4,000/Ind; \$12,000/Family	\$4,500/Ind; \$13,500/Family	\$4,000/Ind; \$12,000/Family	\$4,500/Ind; \$13,500/Family	\$5,500/Ind; \$11,000/Family	\$5,500/Ind; \$11,000/Family
Co-Insurance			70% Co-insurance after CYD	50% Co-insurance after CYD	80% Co-insurance after CYD	60% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Primary Care Office Visit			\$35 copay	Plan Pays 50% after CYD	80% Co-insurance after CYD	60% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Specialist Office Visit			\$50 copay	Plan Pays 50% after CYD	80% Co-insurance after CYD	60% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Routine Health Exams			No Charge	Plan Pays 50% after CYD	No Charge	Plan Pays 60% after CYD	No Charge	Plan Pays 70% after CYD
Childhood Immunizations			No Charge	Plan Pays 50% after CYD	No Charge	Plan Pays 60% after CYD	No Charge	No Charge
Emergency Room			ER Room: \$150 copay; Plan Pays 70% after CYD Med Trans: No Charge Urgent Care: Plan Pays 70% after CYD	ER Room: \$150 copay; Plan Pays 70% after CYD Med Trans: No Charge Urgent Care: Plan Pays 70% after CYD	ER Room: \$150 copay; Plan Pays 80% after CYD Med Trans: No Charge Urgent Care: Plan Pays 70% after CYD	ER Room: \$150 copay; Plan Pays 80% after CYD Med Trans: No Charge Urgent Care: Plan Pays 70% after CYD	50% Co-insurance after CYD	
Health Assessment			N/A					
Pharmacy								
RUSO: Generic & Preferred - <\$100 OU/OSU: Generic			\$25 copay or actual cost	\$25 copay or actual cost	\$25 copay or actual cost	\$25 copay or actual cost	Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost
RUSO: Generic & Preferred - >\$100 OU/OSU: Preferred			25% up to \$50 max	25% up to \$50 max	25% up to \$50 max	25% up to \$50 max	Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost
RUSO: Non-Preferred - <\$100 OU/OSU: Non-Preferred			Lesser of \$50 or actual cost	Lesser of \$50 or actual cost	Lesser of \$50 or actual cost	Lesser of \$50 or actual cost	Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost
RUSO: Non-Preferred - >\$100 OU/OSU: Specialty			50% up to \$100 max	50% up to \$100 max	50% up to \$100 max	50% up to \$100 max	Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost

Medical Plan Scenario 4 (22.7%)

Fully Insured – Mirror OU Plans

General Plan Information			BCBSOK				
			BlueOptions PPO			BlueEdge HSA	
			Blue Preferred PPO In-Network	Blue Choice PPO In-Network	Out of Network	Blue Choice PPO In-Network	Out of Network
Calendar Year Deductible			\$400/Ind; \$800/Family	\$500/Ind; \$1,000/Family	\$1,000/Ind; \$2,000/Family	\$1,500/Ind; \$3,000/Family	\$2,500/Ind; \$5,000/Family
Calendar Year Max Out-Of-Pocket			\$3,000/Ind; \$6,000/Family	\$3,000/Ind; \$6,000/Family	\$4,000/Ind; \$8,000/Family	\$3,000/Ind; \$6,000/Family	\$5,000/Ind; \$10,000/Family
Co-Insurance			80% Co-insurance after CYD	80% Co-insurance after CYD	70% Co-insurance after CYD	85% Co-insurance after CYD	60% Co-insurance after CYD
Primary Care Office Visit			\$20 copay	\$25 copay	Plan Pays 70% after CYD	Plan Pays 85% after CYD	Plan Pays 60% after CYD
Specialist Office Visit			\$30 copay	\$35 copay	Plan Pays 70% after CYD	Plan Pays 85% after CYD	Plan Pays 60% after CYD
Routine Health Exams			No Charge	No Charge	Plan Pays 70% after CYD	No Charge	Plan Pays 60% after CYD
Childhood Immunizations			No Charge	No Charge	Covered up to the allowed amount	No Charge	Covered up to the allowed amount
Emergency Room			\$100 copay; Plan pays 80% after CYD	\$100 copay; Plan pays 80% after CYD	Plan Pays 70% after CYD	Plan Pays 85% after CYD	Plan Pays 60% after CYD
Health Assessment							
Pharmacy							
RUSO: Generic & Preferred - <\$100 OU/OSU: Generic			\$10 retail; \$20 mail order	\$10 retail; \$20 mail order	30% after \$10 copay of allowed amount	Plan Pays 85% after CYD	Plan Pays 60% after CYD
RUSO: Generic & Preferred - >\$100 OU/OSU: Preferred			\$30 retail; \$60 mail order	\$30 retail; \$60 mail order	30% after \$30 copay of allowed amount	Plan Pays 85% after CYD	Plan Pays 60% after CYD
RUSO: Non-Preferred - <\$100 OU/OSU: Non-Preferred			\$60 retail; \$120 mail order	\$60 retail; \$120 mail order	30% after \$60 copay of allowed amount	Plan Pays 85% after CYD	Plan Pays 60% after CYD
RUSO: Non-Preferred - >\$100 OU/OSU: Specialty			Covered	Covered	Covered up to the allowed amount	Covered	Plan Pays 60% after CYD

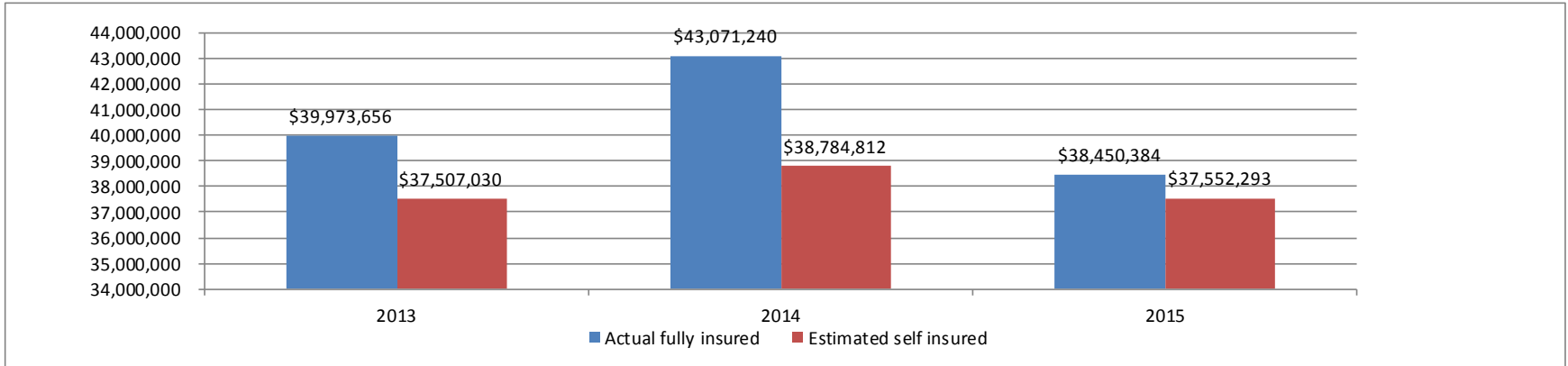
Medical Plan Scenario 5 (11.3%)

Self-Funded – Current Plan Design

			BCBSOK							
			Red Plan - Blue Choice PPO		White Plan			Blue Plan		
General Plan Information			In-Network	Out of Network	Blue Preferred PPO	Blue Choice PPO	Blue Traditional	Out of Network	In-Network	Out of Network
Calendar Year Deductible			\$1,000/Ind; \$3,000/Family	\$1,000/Ind; \$3,000/Family	\$1,250/Ind; \$3,750/Family	\$1,250/Ind; \$3,750/Family	\$1,250/Ind; \$3,750/Family	\$1,250/Ind; \$3,750/Family	\$500/Ind; \$1,000/Family - After first \$500 of medical charges per Ind, which is covered at no charge	\$500/Ind; \$1,000/Family - After first \$500 of medical charges per Ind, which is covered at no charge
Calendar Year Max Out-Of-Pocket			\$3,300/Ind; \$9,900/Family	\$3,800/Ind; \$11,400/Family	\$3,500/Ind; \$10,500/Family	\$4,000/Ind; \$12,000/Family	\$4,500/Ind; \$13,500/Family	\$6,500/Ind; \$13,000/Family	\$5,500/Ind; \$11,000/Family	\$5,500/Ind; \$11,000/Family
Co-Insurance			Plan Pays 80% after CYD	50% Co-insurance after CYD	Plan Pays 80% after CYD	Plan Pays 70% after CYD	Plan Pays 60% after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Primary Care Office Visit			\$25 copay	50% Co-insurance after CYD	\$25 copay	\$35 copay	Plan Pays 60% after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Specialist Office Visit			\$40 copay	50% Co-insurance after CYD	\$40 copay	\$50 copay	Plan Pays 60% after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Routine Health Exams			No Charge	Plan Pays 70% after CYD	No Charge	No Charge	No Charge	Plan Pays 70% after CYD	No Charge	Plan Pays 70% after CYD
Childhood Immunizations			No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge
Emergency Room			\$100 copay; then 80% after CYD (copay waived if admitted)		\$150 copay; then 80% after CYD (copay waived if admitted)			50% Co-insurance after CYD		
Health Assessment			\$250 deductible credit for each covered member (EE, Spouse, & Dep>18) that completes							
Pharmacy										
RUSO: Generic & Preferred - <\$100 OU/OSU: Generic			Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$25 or Cost	Lesser of \$25 or Cost	Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost
RUSO: Generic & Preferred - >\$100 OU/OSU: Preferred			Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$50 or 25% of Cost	Lesser of \$50 or 25% of Cost	Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost
RUSO: Non-Preferred - <\$100 OU/OSU: Non-Preferred			Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$50 or Cost	Lesser of \$50 or Cost	Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost
RUSO: Non-Preferred - >\$100 OU/OSU: Specialty			Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$100 or 50% of Cost	Lesser of \$100 or 50% of Cost	Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost
Max supply per copay			102 day/300 quantity							

Historical Self-Funding Analysis Medical

Illustration of actual fully insured and estimated self insured funding arrangements



Actual fully insured

	2013	2014	2015
Premium	\$39,973,656	\$43,071,240	\$38,450,384
Healthcare Reform Fees	Incl	Incl	Incl
Total	\$39,973,656	\$43,071,240	\$38,450,384

Estimated self insured

	2013	2014	2015
Admin	\$2,064,600	\$2,164,668	\$1,992,192
Specific Stop loss	\$1,238,760	\$1,326,732	\$1,245,120
Net claims	\$34,203,670	\$34,797,282	\$33,998,533
Healthcare Reform Fees	\$0	\$496,130	\$316,448
Total	\$37,507,030	\$38,784,812	\$37,552,293

Total fully insured expense

\$121,495,280

Estimated self insured expenses since Jan 2013

\$113,844,135

Estimated self insured claim reserve liability

\$3,270,945

Estimated self insured plan cost since Jan 2013

\$117,115,080

Estimated \$ savings under self insured funding arrangement

(\$4,380,200)

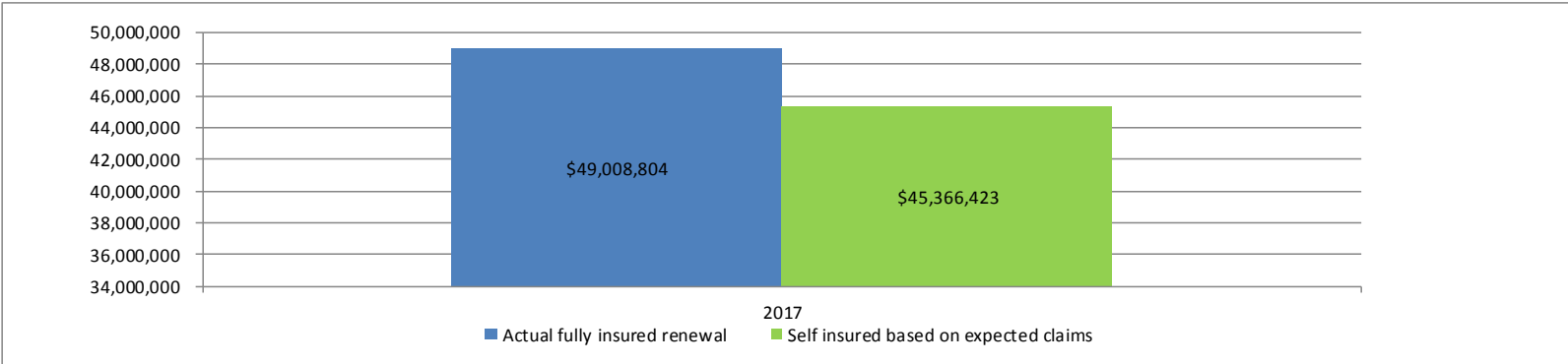
%

-3.61%

Stop Loss Spec Level \$320k

Fully-Insured vs. Self-Funded Analysis Medical

BCBS Fully Insured vs. BCBS Self Insured 2017 Fully Insured vs. Self Insured Cost



Actual fully insured renewal

	2017
Premium	\$49,008,804
Healthcare Reform Fees	Incl
Total	\$49,008,804
Enrollment	5,190
PEPY	\$9,443

Self insured based on expected claims

	2017
Admin	\$2,025,346
Specific Stop loss	\$1,342,759
Healthcare Reform Fees	\$15,399
Estimated Reserves	\$3,270,945
Expected Claims	\$38,711,974
Total	\$45,366,423
Enrollment	5,190
PEPY	\$8,741

Estimated \$ savings based on expected cost vs. fully insured renewal premium **(\$3,642,381)**
 % **-7.4%**

Maximum cost under self insured funding arrangement \$55,950,626
 PEPY \$10,780

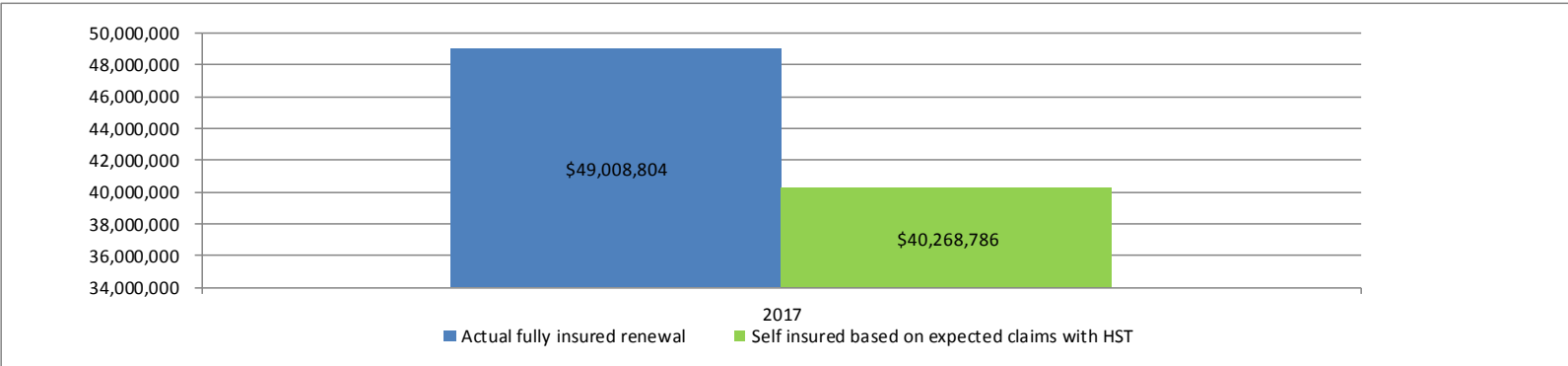
Maximum claims PEPY is 39% higher than the average claim PEPY from 2014 and 2015 of \$6,826

Stop Loss Spec Level \$320k

Medical Scenario 6 (1.2%↓)

Self-Funding Analysis – Hospital Reference Based Pricing

BCBS Fully Insured vs. HST Self Funded (Hospital Referenced Based Pricing) 2017 Fully Insured vs. Self Insured Cost



Actual fully insured renewal

	2017
Premium	\$49,008,804
Healthcare Reform Fees	Incl
Total	\$49,008,804
Enrollment	5,190
PEPY	\$9,443

Self insured based on expected claims with HST

	2017
Admin	\$2,025,346
Specific Stop loss	\$1,342,759
Healthcare Reform Fees	\$15,399
Estimated Reserves	\$3,270,945
Expected Claims	\$33,614,337
Total	\$40,268,786
Enrollment	5,190
PEPY	\$7,759

Estimated \$ savings based on expected cost vs. fully insured renewal premium **(\$8,740,018)**
 % **-17.8%**

Estimated Maximum cost under self insured funding arrangement \$49,459,249
 PEPY \$9,530

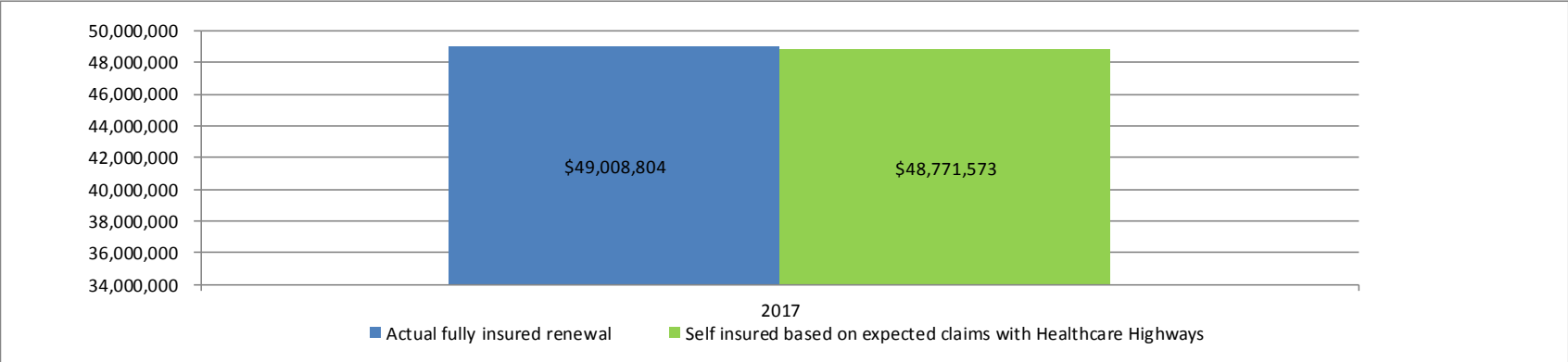
Maximum claims PEPY is 21% higher than the average claim PEPY from 2014 and 2015 of \$6,826

Stop Loss Spec Level \$320k

Medical Plan Scenario 7 (19.6% ↑)

Self-Funding Analysis – Healthcare Highways Network

BCBS Fully Insured vs. Healthcare Highways 2017 Fully Insured vs. Self Insured Cost



Actual fully insured renewal

	2017
Premium	\$49,008,804
Healthcare Reform Fees	Incl
Total	\$49,008,804
Enrollment	5,190
PEPY	\$9,443

Self insured based on expected claims with Healthcare Highways

	2017
Admin	\$2,025,346
Specific Stop loss	\$1,342,759
Healthcare Reform Fees	\$15,399
Estimated Reserves	\$3,270,945
Expected Claims	\$42,117,125
Total	\$48,771,573
Enrollment	5,190
PEPY	\$9,397

Estimated \$ savings based on expected cost vs. fully insured renewal premium **(\$237,231)**
 % **-0.5%**

Estimated Maximum cost under self insured funding arrangement \$60,286,775
 PEPY \$11,616

Maximum claims PEPY is 51% higher than the average claim PEPY from 2014 and 2015 of \$6,826

Stop Loss Spec Level \$320k

Contribution Modeling Impact Analysis

Medical Plan (5,190 ee)

Total Costs

Employee

OKHEEI

% Change for OKHEEI

\$ Change for OKHEEI

	Current 2016	Renewal 2017	Option 1 2016	Option 2 2016	Option 3 2016	Option 4 2016
	BCBS	BCBS-1Yr RG	BCBS-1Yr RG	BCBS-1Yr RG	BCBS-1Yr RG	BCBS-1Yr RG
Total Costs	\$ 40,772,887	\$ 49,009,399	\$ 46,977,468	\$ 45,757,985	\$ 45,757,985	\$ 45,411,815
Employee	\$ 8,123,140	\$ 9,764,092	\$ 10,678,397	\$ 11,179,374	\$ 11,724,545	\$ 11,867,821
OKHEEI	\$ 32,649,747	\$ 39,245,308	\$ 36,299,071	\$ 34,578,611	\$ 34,033,440	\$ 33,543,994
% Change for OKHEEI		20.20%	11.18%	5.91%	4.24%	2.74%
\$ Change for OKHEEI		\$ 6,595,560	\$ 3,649,323	\$ 1,928,863	\$ 1,383,693	\$ 894,247

Scenarios

Red

White

Blue

	Current	Renewal	Option 1	Option 2	Option 3	Option 4
	Employer Contribution % to Employee Only	Employer Contribution % to Employee Only	Employer Contribution % to Employee Only	Employer Contribution % to Employee Only	Employer Contribution % to Employee Only	Employer Contribution \$ - Defined Contribution
Red	92%	92%	85%	80%	80%	\$ 538.60
White	100%	100%	95%	90%	90%	\$ 538.60
Blue	100%	100%	100%	100%	95%	\$ 538.60

92% of Employee Only Red is an estimate based on collective schools

Migration Assumptions

Red Plan to White

Red Plan to Blue

White Plan to Blue

	Current	Renewal	Option 1	Option 2	Option 3	Option 4
Red Plan to White	0%	0%	25%	35%	35%	35%
Red Plan to Blue	0%	0%	10%	20%	20%	25%
White Plan to Blue	0%	0%	25%	35%	35%	35%



Value Added Services



ZeroCard

The ZeroCard is a transparent medical network that makes it easy (and free) for plan members to find fairly priced providers that can save the employer up to 80%.

Mission: To understand and improve the healthcare marketplace

Vision: To make healthcare simple, accessible and 100% transparent



Step 1: A doctor recommends that an employee gets a specific service or procedure

Step 2: The employee's Personal Health Assistant helps determine what is covered and where the employee can go (this can also be found by looking online)

Step 3: ZeroCard takes care of all the details and the employee always pays \$0

A typical employer with 1,000 employees is overspending by \$90,250

<http://www.thezerocard.com/>

Compass Professional Health Services

The Compass Health Activation Platform combines the right balance of technology with personal Health Professional consultants to drive member engagement. They keep it simple by giving employees technology when they want it and expertise when they need it. By integrating Transparency, Prevention and Pathways, they improve employee health and deliver sustainable savings.

Transparency: Combine sophisticated technology with a Health Pro consultant, who knows your company's benefits plans and can help employees compare price and quality data, find highly-rated doctors and conduct prescription reviews. We can also review medical bills and answer insurance questions.

Prevention: Work with employers to implement accountability programs that incentivize employees to complete the preventive care screenings and wellness programs that improve health.

Pathways: For employers interested in a narrow network, we act as an employer's 'talent scout' to identify highly-rated healthcare providers, who have a track record of practicing evidence based medicine, creating high patient satisfaction and lowering the cost of care.

Reduced high risk population by 25% in 12 months

PEPM Savings Against Trend \$229

Annualized Savings of \$2.8M



<http://www.compassphs.com/>

Voluntary Benefits - UNUM

Partnering with Unum can help you balance the need to manage costs and provide financial protection for your employees. Unum's voluntary benefits include easy implementation, effective education, and responsive customer service.

Group Accident Insurance

Designed to help covered employees meet the out-of-pocket expenses and extra bills that can follow an accidental injury, whether minor or catastrophic.

Group Critical Illness Insurance

Designed to help employees offset the financial effects of a catastrophic illness with a lump sum benefit if an insured is diagnosed with a covered critical illness.

Group Hospital Indemnity Insurance

Designed to help provide financial protection for covered individuals by paying a benefit due to hospitalization and in some cases, for treatment received for an accident or sickness, even if that treatment occurs outside the hospital.

Short Term Disability Insurance

Designed for individuals who are unable to work due to covered sickness or injury. Benefits are generally paid monthly, based on a percentage of earnings.

Technology Funding Options

Unum has created new flexible VB compensation schedules that include technology funding to assist employers to fund Benefit Administrative systems for CORE and VB benefits for Open Enrollment and ongoing through the year for New Hires.

Voluntary Benefits - UNUM

Group Accident Insurance

Weekly Premiums Include Wellness			
Employee	Employee & Spouse	Employee & Child	Employee & Family
\$4.10	\$6.76	\$7.40	\$10.06

Group Critical Illness Insurance with Cancer Rider

Issue Age	With Cancer Monthly Rates per \$1,000	
	Non-Tobacco	Tobacco
<25	\$0.40	\$0.56
25 - 29	\$0.44	\$0.67
30 - 34	\$0.64	\$1.01
35 - 39	\$0.88	\$1.49
40 - 44	\$1.24	\$2.18
45 - 49	\$1.71	\$3.02
50 - 54	\$2.25	\$4.02
55 - 59	\$2.96	\$5.13
60 - 64	\$3.80	\$6.14
65 - 69	\$4.27	\$6.41
70+	\$7.65	\$10.32

Voluntary Benefits - UNUM

Group Hospital Indemnity Insurance

Issue Age	Weekly Premiums Includes Wellness			
	Employee	Employee & Spouse	Employee & Child	Employee & Family
17 - 49	\$4.30	\$7.78	\$6.11	\$9.59
50 - 59	\$5.93	\$11.85	\$7.74	\$13.66
60 - 64	\$8.32	\$17.35	\$10.13	\$19.16
65+	\$11.80	\$24.49	\$13.61	\$26.30

Short Term Disability Insurance

Rates based on Monthly Income and Maximum Monthly Benefit

TaxSaver Cafeteria Plan Administration

Making FSA's EASY

- True Up
 - » Compliant technology that works with FSA Debit Cards to provide the participant with uninterrupted card service throughout the year
- Website / App
- Claims Processing
 - » 48 hours
- Call Center
 - » 2 -4 hour return of all calls and emails to participants
- Client Service Specialists
 - » 2 -4 hour return of all calls and emails to Benefit/ HR Staff



Customer Service Model

- Integrated systems
- No IVR
- All calls recorded telephonically and electronically
- 3 CSR levels all crossed trained – FSA, HSA, etc.
- Open Issue Tracker
- 3 Calls-Or-More Tracker
- 2-4 hour response time; internal & external

Mobile App

- Available for iPhones on the iTunes App Store
- Available for Android Smartphones on Google Play

Claim Submissions

- Online
 - » Secure submission with prefilled claim form
- Mobile
 - » App for iPhone and Android Phones
- Fax
 - » Multiple fax servers
- Email
- Mail

Claims Substantiation Process

- All Claims are Imaged No Matter How They Are Received
- Carrier File Feed Matching
- Debit Card Substantiation
- True Up



Appendix



Financial Summary

Mar 2015 – Feb 2016 Cost Summary

	Enrollment		Premiums		Paid Claims			Loss Ratio
	EE	Members	Medical/Rx	Total	Medical	Rx	Total	Claims / Premiums
Apr-15	5,208	7,118	\$3,220,318	\$3,220,318	\$2,212,535	\$823,319	\$3,035,854	94.3%
May-15	5,192	7,107	\$3,211,449	\$3,211,449	\$2,033,025	\$992,950	\$3,025,975	94.2%
Jun-15	5,185	7,092	\$3,206,444	\$3,206,444	\$2,467,417	\$806,695	\$3,274,112	102.1%
Jul-15	5,126	7,016	\$3,169,379	\$3,169,379	\$2,602,536	\$1,035,723	\$3,638,259	114.8%
Aug-15	5,107	6,992	\$3,158,491	\$3,158,491	\$2,516,216	\$885,631	\$3,401,848	107.7%
Sep-15	5,199	7,100	\$3,210,855	\$3,210,855	\$2,130,850	\$931,513	\$3,062,363	95.4%
Oct-15	5,175	7,066	\$3,191,171	\$3,191,171	\$2,280,122	\$1,191,980	\$3,472,102	108.8%
Nov-15	5,176	7,056	\$3,184,014	\$3,184,014	\$2,140,550	\$915,070	\$3,055,620	96.0%
Dec-15	5,195	7,072	\$3,191,570	\$3,191,570	\$2,673,769	\$1,269,488	\$3,943,257	123.6%
Jan-16	5,194	7,143	\$3,403,121	\$3,403,121	\$1,906,767	\$813,218	\$2,719,984	79.9%
Feb-16	5,190	7,129	\$3,396,255	\$3,396,255	\$1,966,688	\$907,567	\$2,874,255	84.6%
Mar-16	5,186	7,120	\$3,391,297	\$3,391,297	\$2,013,266	\$927,323	\$2,940,589	86.7%
Totals	62,133	85,011	\$38,934,364	\$38,934,364	\$26,943,741	\$11,500,476	\$38,444,217	98.7%
Average EE/Members	5178	7084	\$627	\$627	\$434	\$185	\$619	
Member Ratio	1.37							

Financial Summary

Large Claimant in Excess of \$250,000 April 2015 – March 2016

Relationship	Diagnosis	Paid Amount
Subscriber	Neoplasms	\$791,076
Subscriber	Injury/Poisoning	\$695,256
Subscriber	Infectious/Parasitic	\$631,630
Dependent	Mental Health	\$415,203
Dependent	Respiratory	\$387,883
Subscriber	Infectious/Parasitic	\$375,445
Dependent	Neoplasms	\$342,367
Subscriber	Genitourinary	\$338,944
Spouse	Circulatory	\$335,885
Subscriber	Neoplasms	\$312,682
Subscriber	Neoplasms	\$260,153

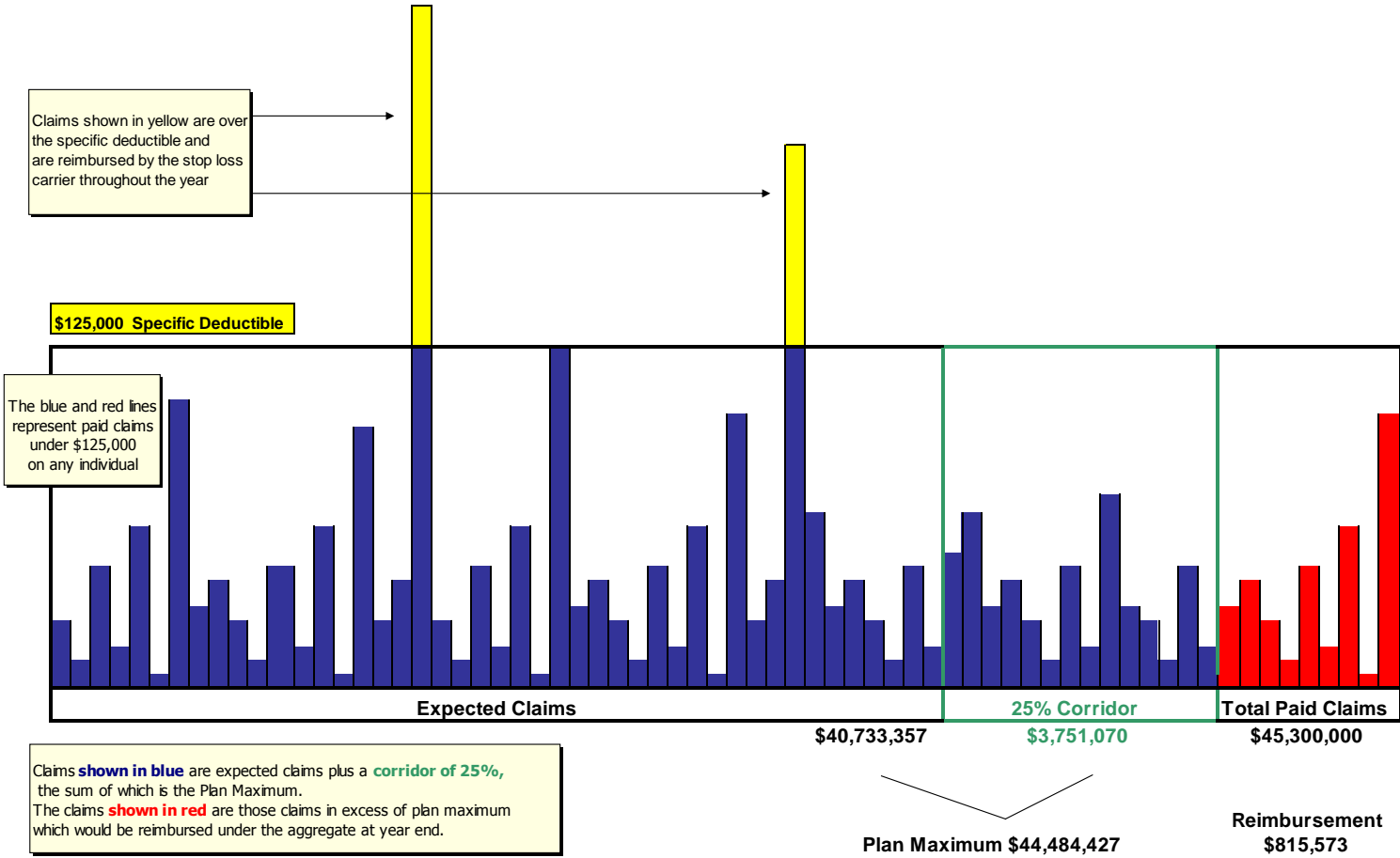
Financial Summary

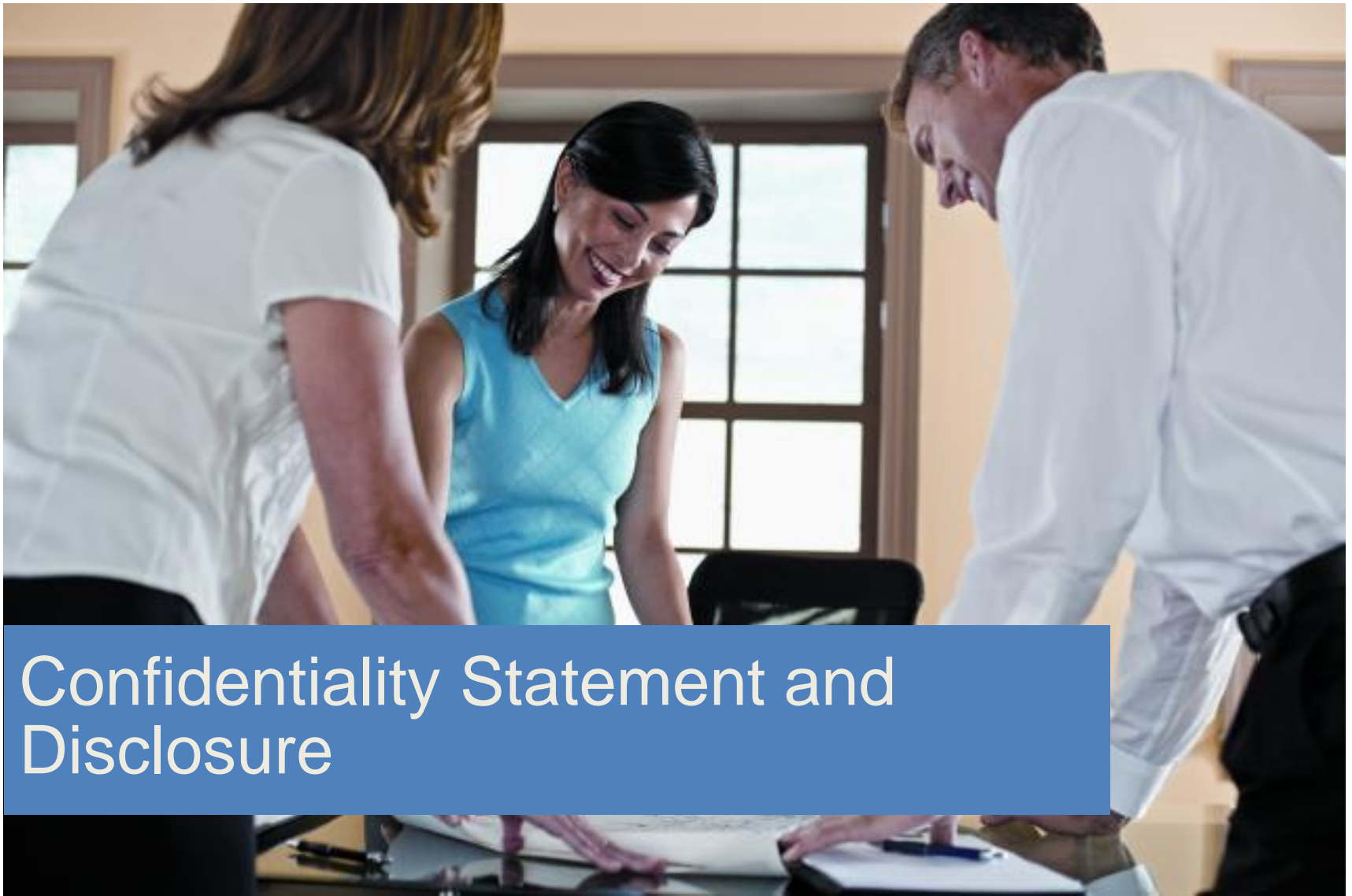
Mar 2015 – Feb 2016 Dental Cost Summary

	Enrollment		Premiums		Paid Claims		Loss Ratio
	EE	Members	Dental	Total	Dental	Total	Claims / Premiums
Mar-15	5,465	8,407	\$301,053	\$301,053	\$219,731	\$219,731	83.0%
Apr-15	5,460	8,390	\$300,823	\$300,823	\$251,628	\$251,628	78.2%
May-15	5,451	8,377	\$300,015	\$300,015	\$220,378	\$220,378	74.9%
Jun-15	5,436	8,353	\$299,250	\$299,250	\$271,504	\$271,504	88.9%
Jul-15	5,389	8,281	\$296,824	\$296,824	\$275,537	\$275,537	87.7%
Aug-15	5368	8235	\$295,455	\$295,455	\$264,265	\$264,265	79.6%
Sep-15	5433	8317	\$298,698	\$298,698	\$226,766	\$226,766	69.2%
Oct-15	5398	8253	\$296,336	\$296,336	\$231,365	\$231,365	78.3%
Nov-15	5390	8226	\$295,291	\$295,291	\$184,793	\$184,793	60.1%
Dec-15	5395	8224	\$295,376	\$295,376	\$240,096	\$240,096	77.8%
Jan-16	5,526	8,589	\$279,063	\$279,063	\$242,981	\$242,981	88.8%
Feb-16	5,533	8,592	\$278,830	\$278,830	\$241,015	\$241,015	83.5%
Totals	65244	100,244	\$3,537,014	\$3,537,014	\$2,870,060	\$2,870,060	81.1%
Average EE/Members	5437	8354	\$54	\$54	\$44	\$44	
Member Ratio	1.54						

Introduction to Self-Funding

Graphic Explanation of Specific and Aggregate Stop Loss Insurance





Confidentiality Statement and Disclosure

Confidentiality Statement and Disclosure

Confidentiality Statement

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When we place your insurance coverage with an insurance company, we are paid a sales commission by the insurance company or wholesale broker, as provided in the Agency and/or Broker Agreement which we have negotiated with the insurance company and/ or wholesale broker. Instances where we receive a fee from you or a combination of a fee from you and commission from the insurance company/wholesale broker, we will provide you with a written fee agreement outlining all compensation we receive on your account.

As is customary in the insurance industry, we may receive additional payments from insurance companies with whom we hold an agency contract. These payments are made within the rate structures filed with, accepted by and approved by the Texas Insurance Commissioner. These payments are generally not client specific, are not guaranteed, and can be based on several factors including the size, growth, retention, and/or profitability of our overall book of business with the insurance company. These agreements do not impair our objectivity nor deter us from our commitment to provide the best combination of service, price and benefits to our clients. In fact, these agreements are intended to compensate us for the many services we provide which create greater value to you and make doing business with us more efficient for the insurance company when compared to other agent relationships. Should you desire additional information regarding contingency compensation agreements, please contact us.