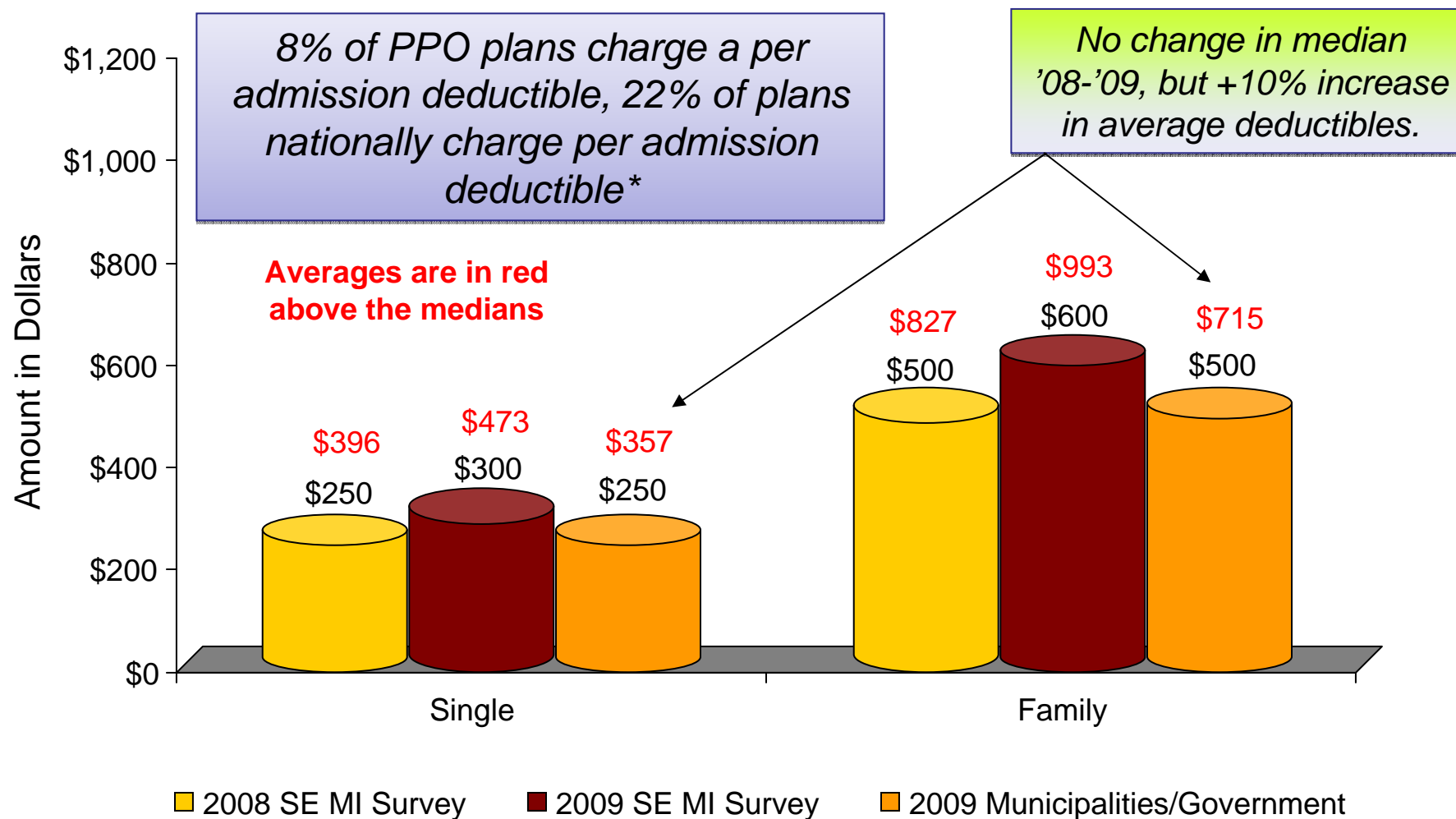


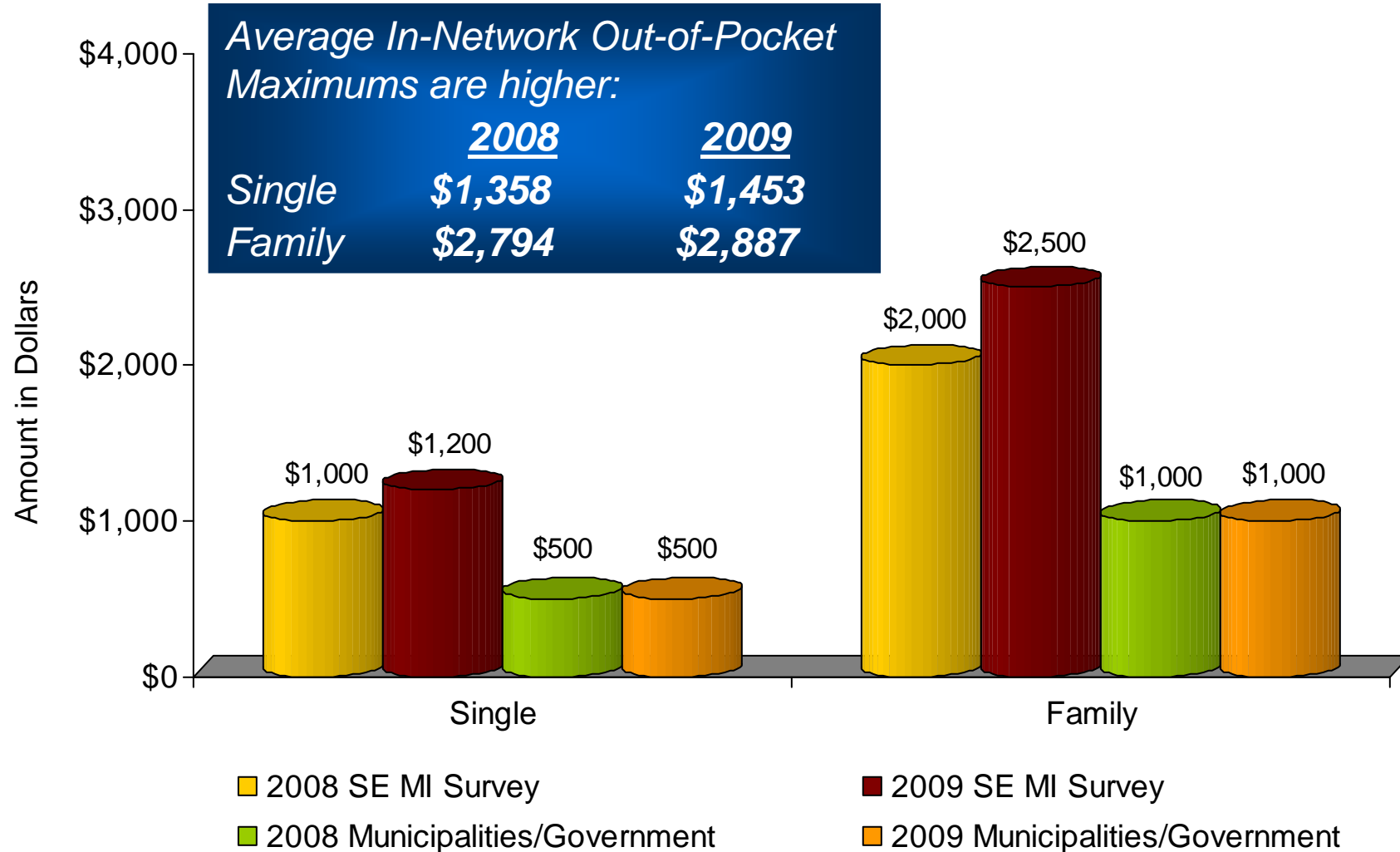
# Median In-Network PPO Deductibles



Of those that have a deductible

\* Mercer, 2008

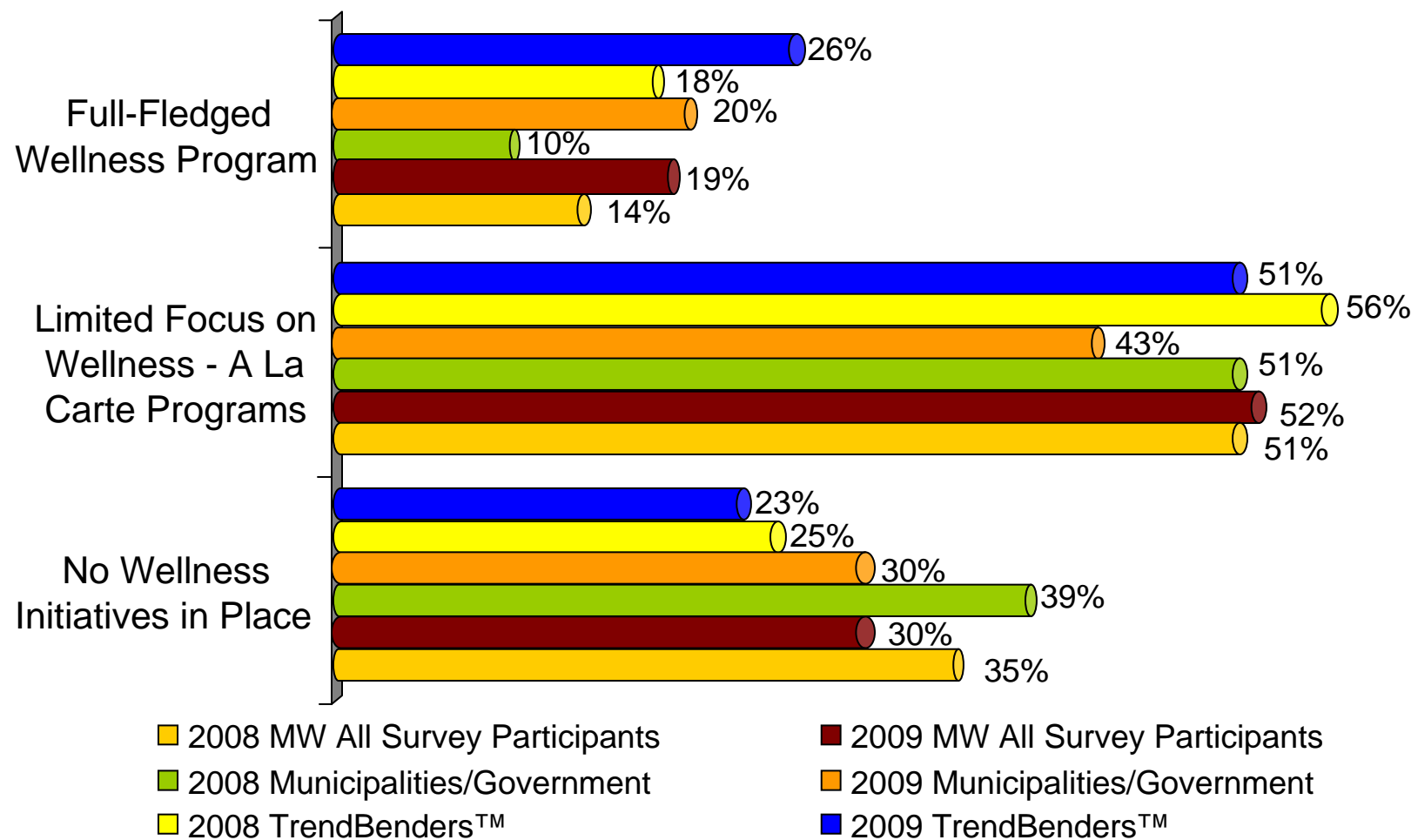
# In-Network Median OOP Maximums



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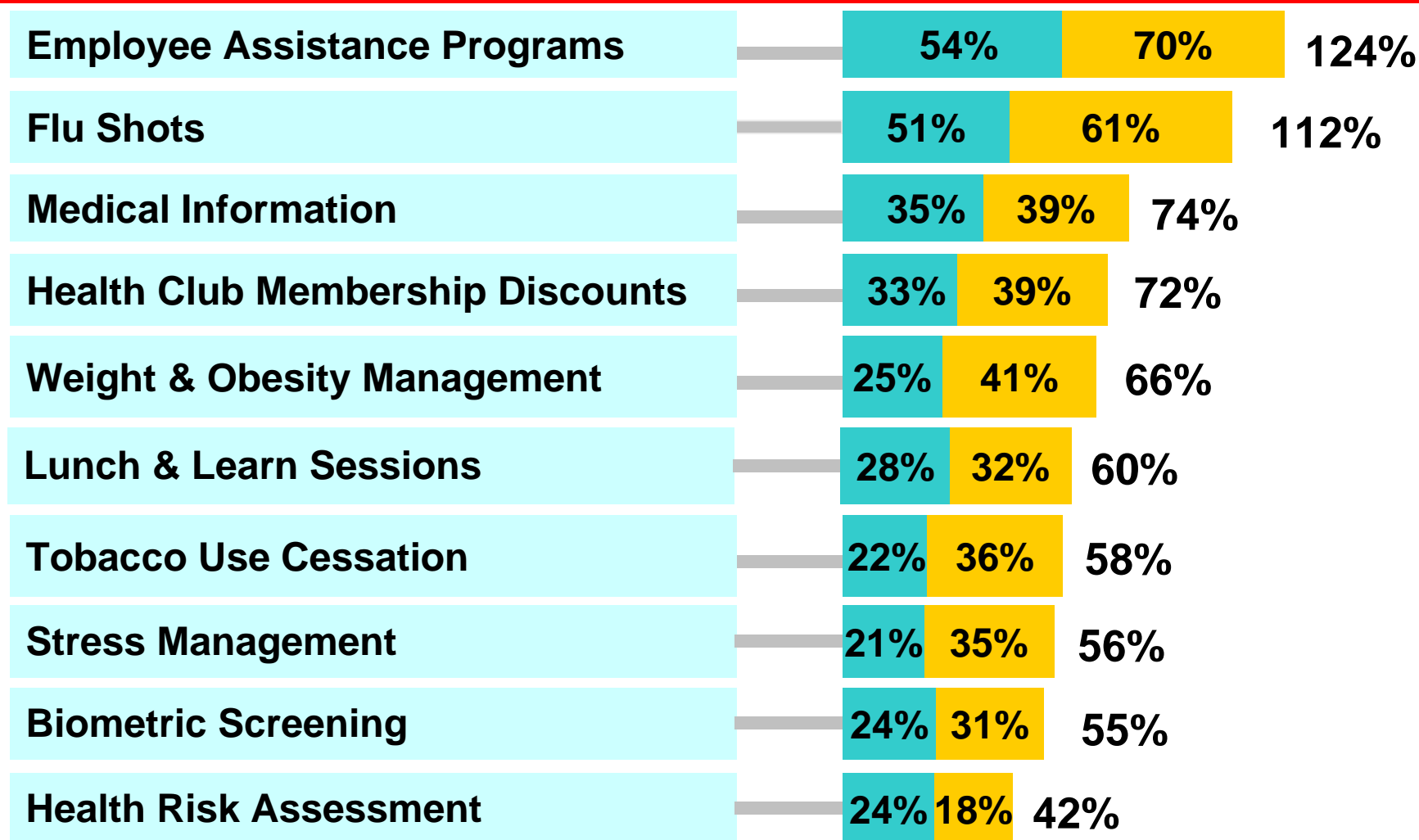
\* Mercer, 2007 & 2008

# *Trendbenders™ Offer More Wellness*



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# *Most Popular Wellness Strategies – Muni*



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■ Did before 2009

■ New or considering in 2010

# *Eligibility Management Approach*

Process Step	Yes - 2008	Yes - 2009
Confirm full-time student status of dependents at least once per year	82%	83%
Request documentation when an employee asks to add a new dependent (marriage certificates, birth certificates and so on) mid year	84%	85%
Request documentation when a dependent is added at open enrollment	47%	47%
Request documentation when a new hire asks to add a spouse or dependent child	N/A	43%
Conduct a dependent audit at least once every 2 years	48%	51%
Survey COBRA participants semi-annually to make sure they have not experienced a COBRA terminating event	22%	24%

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# *Dependent Audits*

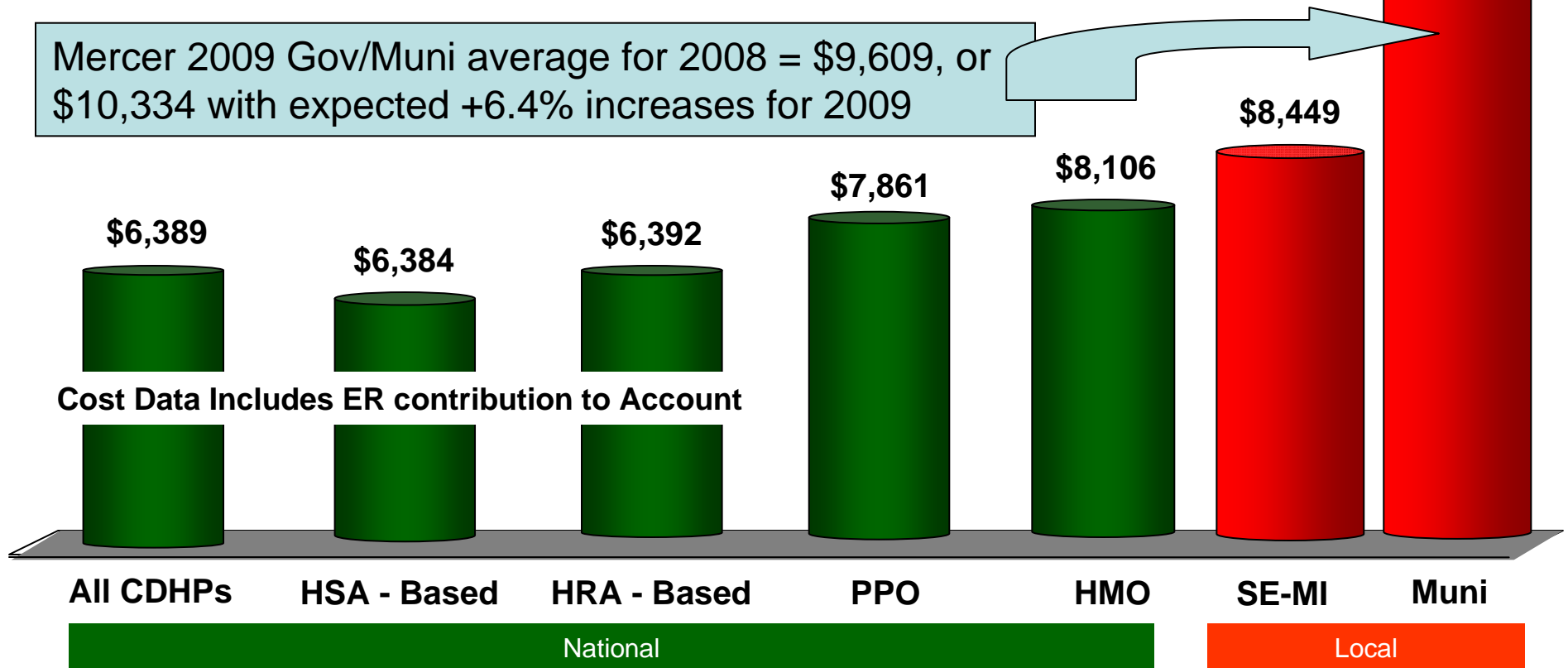
- ❖ 48% of Munis (35% of Main) indicated they had completed a dependent audit within the last 24 months
- ❖ 74% (80% of Main) did the audit internally, while 26% (20% of Main) outsourced
- ❖ Overall, organizations characterized the audit:
  - 14% very successful, significant savings achieved
  - 30% moderately successful, reasonable savings achieved
  - 30% break even, savings offset by additional administrative work
  - 7% unsuccessful, hardly any saving achieved
  - 19% unsure of the results achieved
- ❖ Most employers removed approximately 4% of dependents as a result of the audit – some much higher



# Absolute Cost Challenge

**+33% premium for Muni relative to Main  
based on estimates from reported cost data.**

Mercer 2009 Gov/Muni average for 2008 = \$9,609, or  
\$10,334 with expected +6.4% increases for 2009



Green Bars, National Data from Mercer 2008 survey

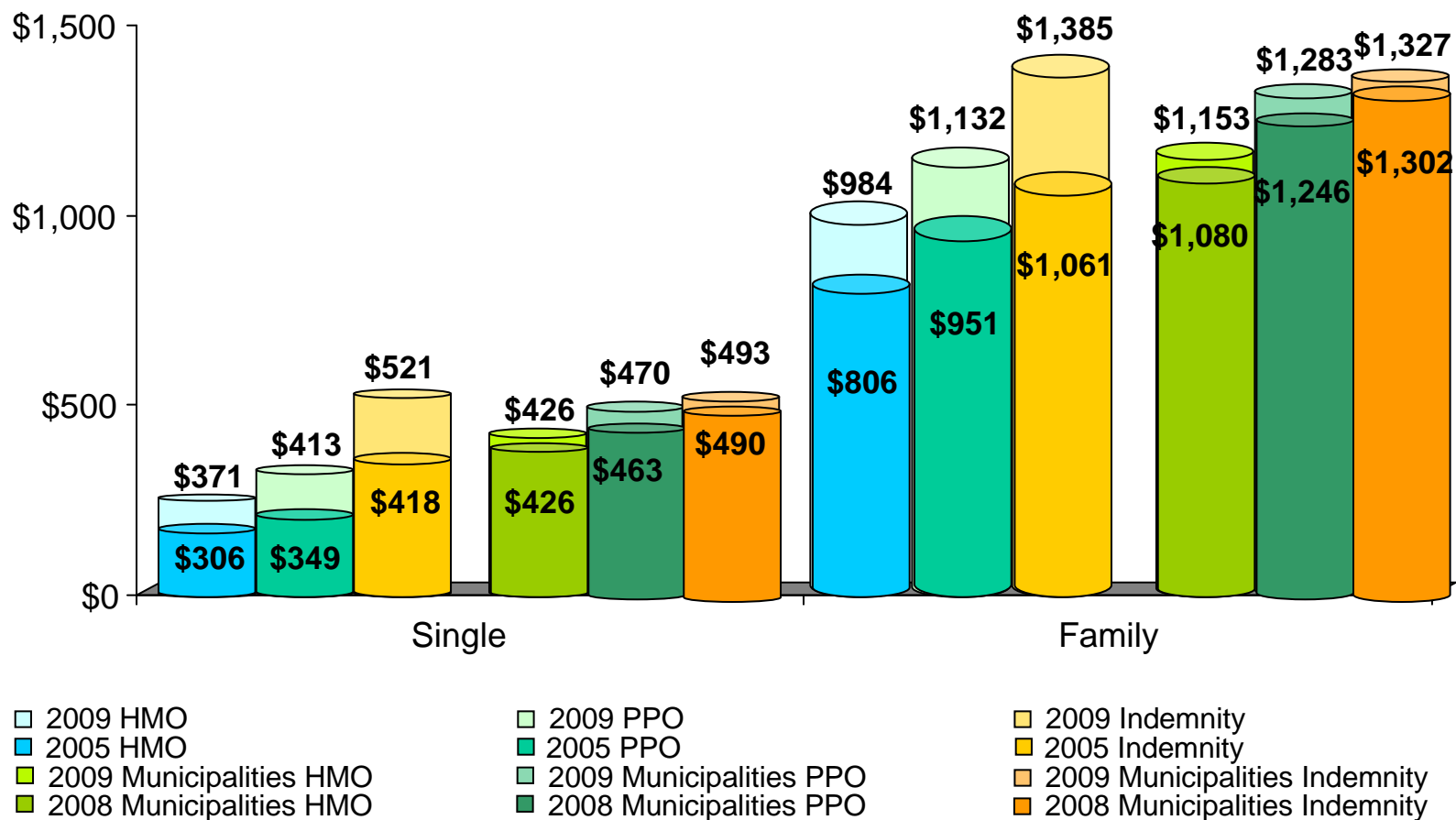
SE-MI and Muni based on 2009 survey results applied to assumed enrollment

35% single/ 65% family SEMI and 35% single / 15% 2 person / 50% family Muni (HMO 30%; PPO 70% of enrollment)

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# 2009 vs. 2005 (2008 Muni) Spectrum of Cost

## Average Monthly Cost of Health Plans by Plan Type



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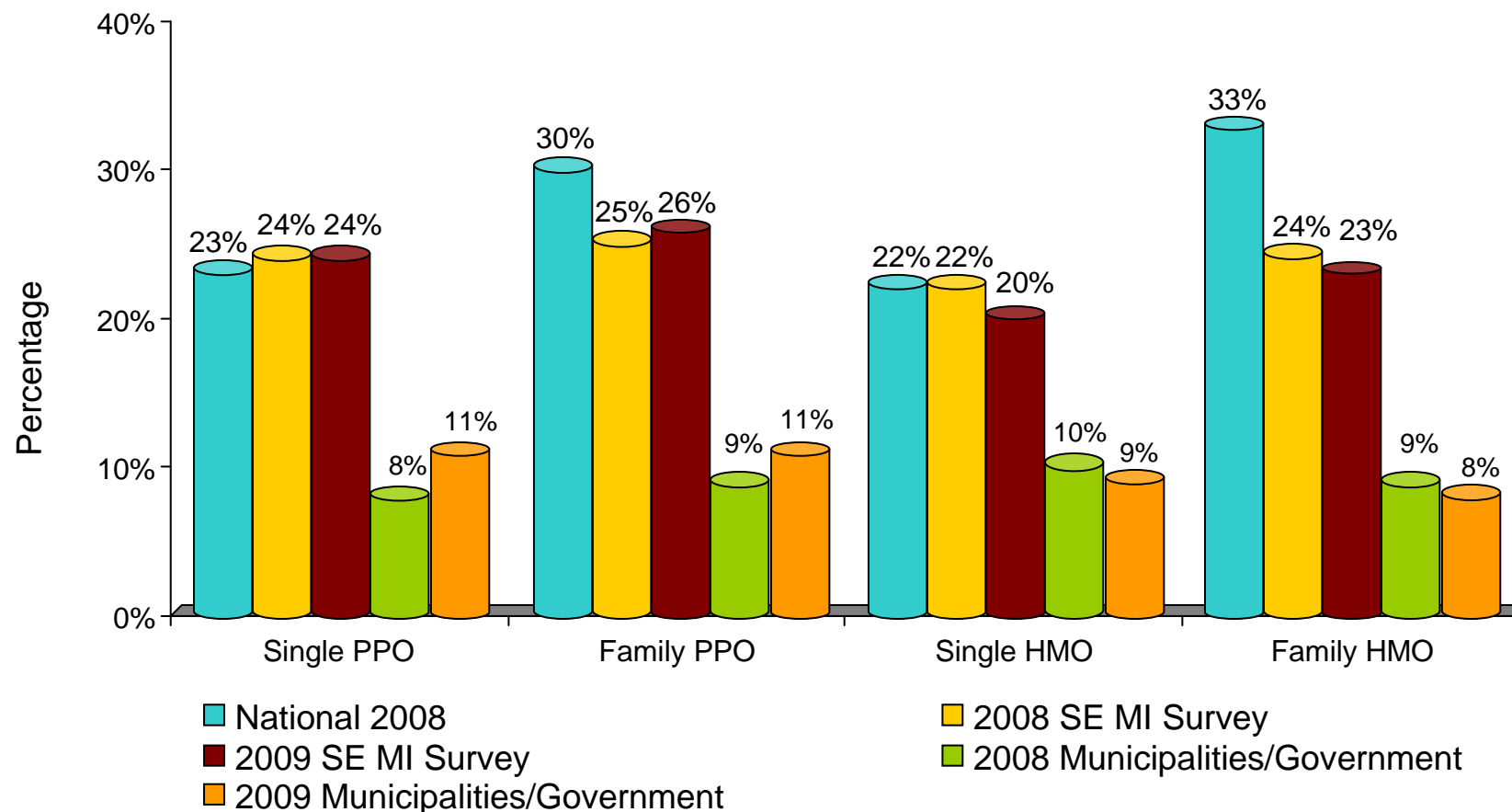


**McGraw Wentworth**

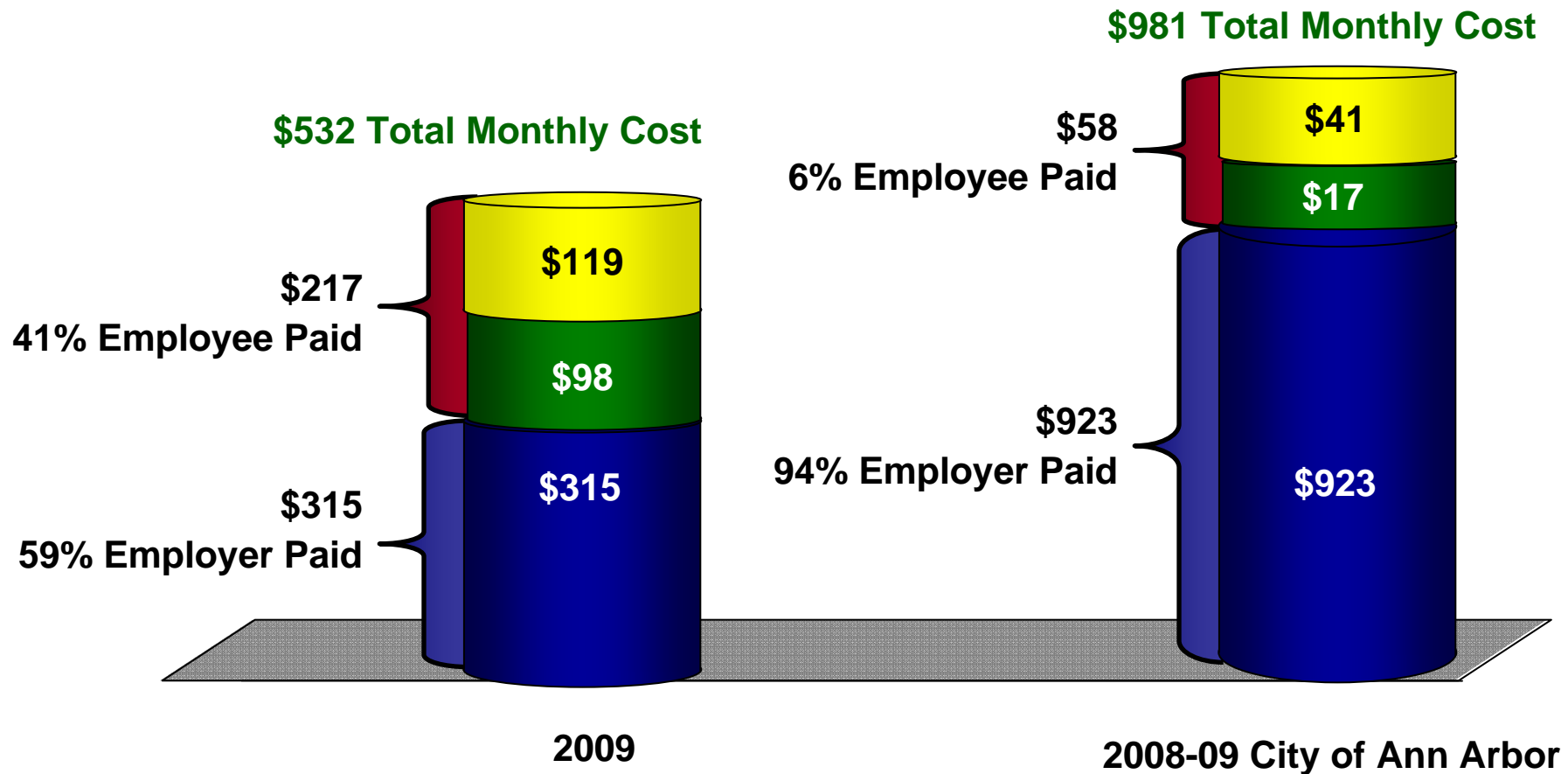
Benefits Stewardship Through Knowledge and Know How



# Employee Contribution Percent – HMO & PPO



# Total Cost Ratio – Median PPO Versus City of Ann Arbor



■ EE Cost Share

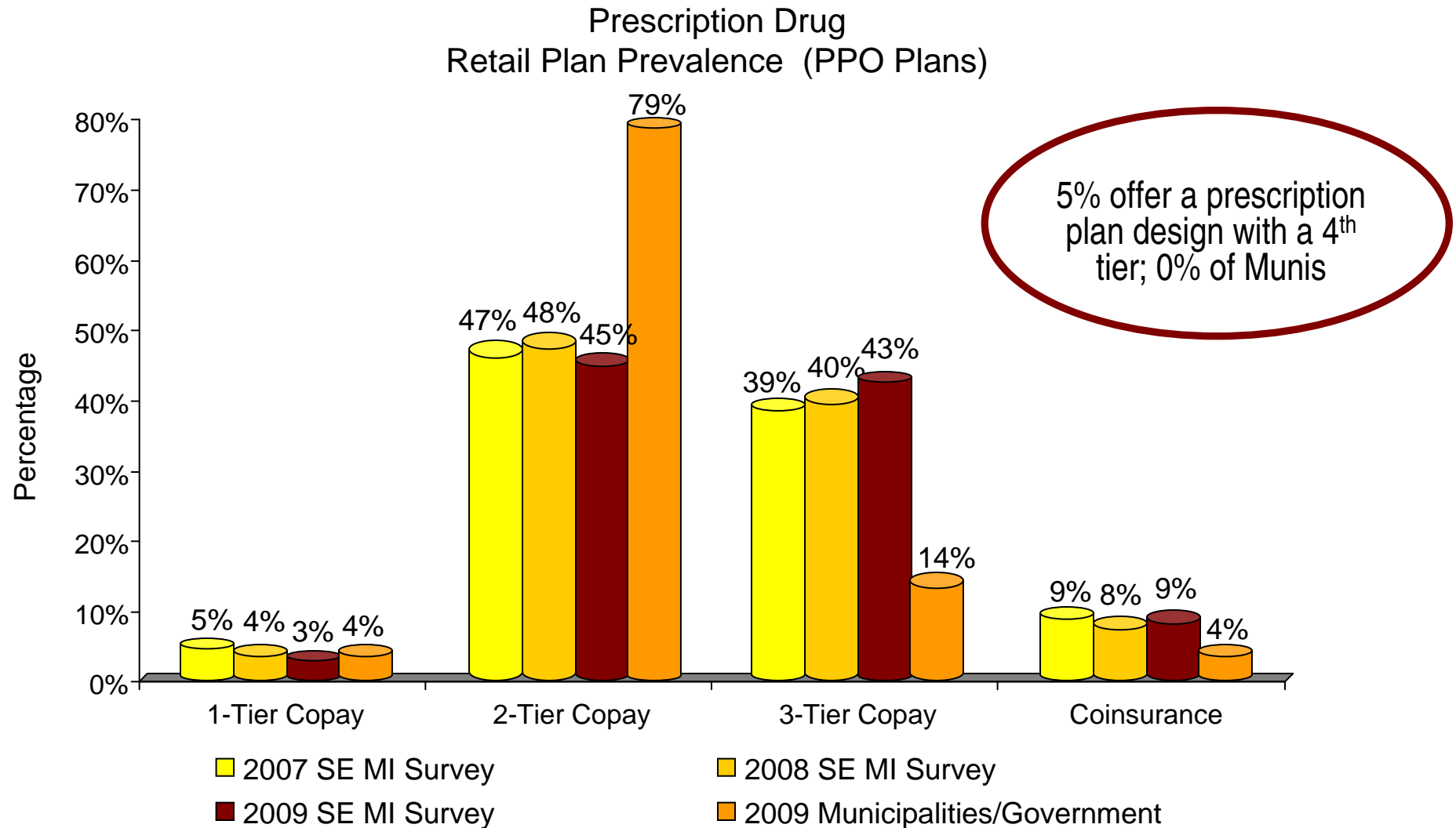
■ EE Premium

■ ER Cost

Assumes:  
Unisex, Age 40-44

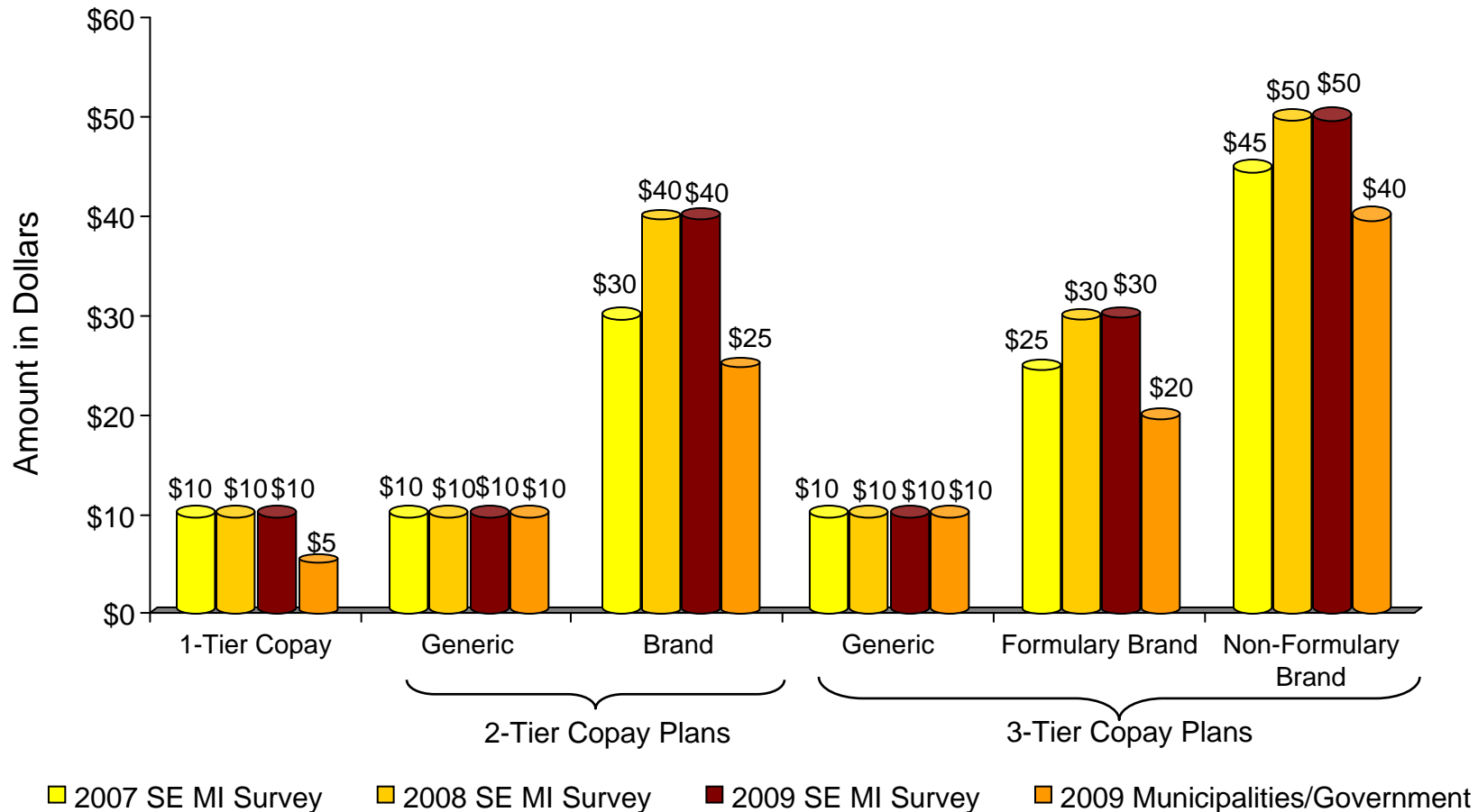
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# *SE MI – 2-Tier Copays Still Popular*



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# Median Rx Copays – PPO Plans



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