

# El Dorado County



Health Plan Renewal  
And  
Alternative Options for Consideration  
February 15, 2011  
Board Meeting

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## Section 1: Executive Summary

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- Currently El Dorado County offers the following benefit options:
  - Self-funded PPO through Blue Shield
  - Fully-funded PPO through Blue Cross for OE3 members only
  - Fully-insured Kaiser HMO
  - Fully-insured PacifiCare HMO
- In order to determine if the County's programs are providing comprehensive coverage at the most affordable price, Alliant provided analysis of the following items:
  - Evaluate joint purchasing options, i.e. CSAC-EIA
  - Evaluate alternative funding options
  - Evaluate provider networks to ensure deepest savings
  - Evaluate current Caremark Pharmacy Program
  - Evaluate cost savings with merging/consolidating carriers
  - Evaluate "carving-in" the Mental Health & Substance Abuse benefit with Blue Shield
- Alliant provided a comprehensive review that includes both the technical components, as well as the Employee Acceptance and Disruption Factors

## Section 1: Executive Summary

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- All of the following components were reviewed with the Risk Management team and the Health Plan Advisory Committee (HPAC) in determining the viability of alternative options:
  - Technical Analysis
    - Claims costs
    - Reserves
    - Network Access
    - Expense Factors
    - Governance
  - Employee Transition/Acceptance
    - Access to Providers
    - Transition of Care

## Section 1: Executive Summary

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Based on the results of Alliant's analysis and discussions with HPAC, the following options are being provided for consideration:

- **Option 1 – EIAHealth**
  - Maintain current benefits of the Blue Shield PPO through the EIAHealth Program (includes a change to Medco PBM)
  - Maintain current fully-insured options with PacifiCare HMO & Kaiser HMO
  - Maintain current fully-insured MHN Mental Health & Substance Abuse (MH/SA) “carve-out”
  
- **Option 2 – Change Pharmacy Benefit Manager**
  - Replace Caremark PBM with Medco PBM for Blue Shield Self-funded PPO
  - Maintain current ASO (direct) relationship with Blue Shield PPO
  - Maintain current fully-insured options with PacifiCare HMO and Kaiser HMO
  
- **Option 3 – Maintain current PPO contract and structure**
  - Blue Shield PPO – ASO direct
  - MHN - MH/SA “carve-out”
  - Caremark Pharmacy - PBM

## Section 1: Executive Summary

Medical Marketing Financial Summary Proposed Effective Date: 7/1/2011					
	Current	Option 1		Option 2	Option 3
	Blue Shield PPO	Blue Shield (EIAHealth) PPO		Blue Shield (ASO Direct) PPO	Blue Shield (ASO Direct) PPO
	MH/SA Carved Out with MHN Caremark Rx	MH/SA Carved Out with MHN Medco Rx		MH/SA Carved Out with MHN Medco Rx	MH/SA Carved Out with MHN Caremark Rx
	Current 7/1/10-7/1/11	6-Month Rates 7/1/11-7/1/12 *	18-Month Rates 7/1/11-1/1/13	Renewal 7/1/11-7/1/12	Renewal 7/1/11-7/1/12
Monthly Premium	\$1,378,700	\$1,516,801	\$1,576,273	\$1,543,010	\$1,569,695
Annual Premium	\$16,544,396	\$18,201,618	\$18,915,275	\$18,516,117	\$18,836,335
Annual \$ Change to Current		\$1,657,222	\$2,370,879	\$1,971,721	\$2,291,938
Annual % Change to Current		10.02%	14.33%	11.92%	13.85%

Note: For comparison purposes, premium rates are annualized for all plan options.

- \*EIAHealth requires the County to move to a January renewal. In order to help with the transition, EIAHealth provides 2 options:
- 6 month rates with a renewal not-to-exceed 9.6% for the remaining 12 months
  - 18 month rates

## Section 2: EIAHealth Program Overview

### Overview

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- EIAHealth is a Joint Purchasing Program that offers:
  - Savings from self-insurance and wholesale insurance purchasing
  - Guaranteed monthly rates based on shared risk approach
  - Governance by public employers
- EIAHealth has been offered to Counties, Cities and Special Districts since 2003
- EIAHealth is one of the largest pooled purchasing alternatives to CalPERS
- Membership has grown to over 17,000 employees in 2011
- EIAHealth is a “Good-Risk Pool”
  - Only groups that meet established underwriting requirements are quoted
- Combined risk pool of over 80,000 employees
  - CSAC-EIA pools risk by contract with SISC (Self Insured Schools of California)
  - EIA and SISC cover over 380 employers in 40 Counties
  - Second largest purchasing coalition in the state after CalPERS

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## Section 2: EIAHealth Program Overview

### *EIAHealth – Member List*

EIAHealth Members	Member Since	Number of Employees/Retirees (estimated)
Merced County	7/1/2003	3,000
Tehama County	7/1/2003	700
Calaveras County	1/1/2004	360
City of Visalia	1/1/2005	760
City of Merced	10/1/2005	700
City of Santa Rosa	7/1/2006	490
Small Group Programs *	8/1/2006	1,650
City of Redding	5/1/2007	1,080
City of Irvine	1/1/2008	700
City of Yuba City	1/1/2008	200
Santa Barbara County	1/1/2010	4,700
City of Huntington Beach	1/1/2010	460
City of Oceanside	1/1/2010	650
Superior Court Santa Barbara	1/1/2010	300
Lake County	1/1/2011	800
Superior Court Riverside	1/1/2011	350
City of Chico	2/1/2011	460
<b>Total</b>		<b>17,360</b>

**\* Small Group Programs includes:**

- County of Sierra
- Golden State Risk Management Authority (GSRMA)
- Special District Risk Management Authority (SDRMA)
- Otay Water District
- Shasta Superior Court
- Stanislaus Superior Court
- City of Atascadero
- Placer Superior Court
- El Dorado Superior Court



## Section 2: EIAHealth Program Overview

### *Governance*

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- CSAC-EIA members own and run the program
- CSAC Board includes County, City & Special District membership
- Each CSAC-EIA program has a committee structure that manages the individual program
- The EIAHealth committee has 9 members that:
  - Meet bi-monthly
  - Discuss policies
  - Approve prospects
  - Discuss underwriting
  - Discuss administration of the program
- All Program members typically attend all Committee Meetings
- Each participating entity maintains autonomy for:
  - Benefit decisions
  - Collective bargaining process
  - Retiree benefits and rules
  - Administrative choice

## Section 2: EIAHealth Program Overview

### *EIAHealth – Committee Member List*

<b>EIAHealth Members</b>	<b>Number of Employees/Retirees (estimated)</b>	<b>Member Names</b>	<b>Voting Member?</b>
<b>Santa Barbara County</b>	4,700	Andreas Pyper	√
<b>Golden State Risk Management Authority (GSRMA)</b>	1,650	Dan Berry	√
<b>Special District Risk Management Authority (SDRMA)</b>		Gregory S. Hall (Alternate)	
<b>City of Visalia</b>	760	Eric Frost	√
<b>Merced County</b>	3,000	James Brown	√
<b>City of Santa Rosa</b>	490	Lynne Margolies	√
<b>City of Merced</b>	700	Rosa Winzer (Chair)	√
<b>Tehama County</b>	700	Sally Hacko (Alternate - Vice Chair)	
<b>City of Redding</b>	1,080	Sheri DeMaagd (Public Entity Representative)	√

## Section 2: EIAHealth Program Overview

### *Rating Methodology & Benefits Administration*

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- The EIAHealth program has a January 1<sup>st</sup> Effective Date
- The EIAHealth program will accommodate any rate structure:
  - Composite
  - Tiered
  - Medicare split, etc...
- Pooled renewal Increase for all members
  - 1<sup>st</sup> two years
  - 3<sup>rd</sup> year increase can be adjusted based on loss allocation mechanism
    - Loss ratio of El Dorado County compared to loss ratio of the overall EIAHealth program
    - Pool increase can be adjusted plus or minus 7%
- The EIAHealth Program fully-funded rates include full benefits administration including:
  - Eligibility Maintenance
  - Consolidated Billing
  - Retiree Billing & Administration
  - COBRA Administration
  - Flexible Spending Account Administration

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## Section 2: EIAHealth Program Overview

### *Product & Flexibility*

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- EIAHealth Plan Design Structure & Options
  - HMO, EPO & PPO options with custom plan designs
    - Blue Shield or Blue Cross Provider Network
    - Kaiser HMO can be offered alongside EIAHealth plan options
  - Pharmacy benefits through Medco
    - Largest Pharmacy Benefit Manager (PBM)
    - Lower unit cost of drugs
    - Lower dispensing fees and administration costs
    - Drug Rebates delivered back to the Program
    - Patient Safety and Clinical Management Programs
  
- EIAHealth requires a 3 year participation requirement
  
- EIAHealth offers complete flexibility in plan design and rate allocation, e.g. between actives and retirees
  - This allows the County to retain local control of plan design with less financial risk

## Section 2: EIAHealth Program Overview

### *EIAHealth Program Advantages*

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- In EIAHealth the County will pay fully-insured equivalent rates
  - Eliminates the recommended \$2.1 million for Incurred-But-Not-Reported (IBNR) claims reserve
    - After claims run-out, the balance of IBNR reserves become available
    - IBNR is included in the EIAHealth fully-insured equivalent rates, so the County no longer has to budget, maintain or report on IBNR
- Eliminates requirement for a separate stop loss insurance contract
  - Currently the County is paying \$822k for stop loss insurance through SunLife
  - With EIAHealth, Stop Loss is included in the fully insured equivalent rates
    - Large claims are pooled with 80,000 members
- Billing & Eligibility Administration
  - Included in the County's EIAHealth rates
  - The County can choose to have all lines of coverage included in the Benefits Administration platform
- COBRA/FSA Administration
  - Included in the County's EIAHealth rates
  - The County can choose to have COBRA Administration included for all other lines of coverage
  - Estimated annual COBRA cost: \$13,000 (if the County were to outsource)
  - Estimated annual FSA cost: \$34,000

## Section 2: EIAHealth Program Overview

### CSAC-EIA Benefits Administration Pricing Chart

CSAC-EIA Benefits Administration			
	Benefits Administration Active, Early Retiree, Cobra, Medicare Retiree	Per Employee Per Month Cost EI Dorado County	Total Estimated Annual Cost EI Dorado County
EIAHealth	Full Benefits Admin for <b>EIAHealth Members</b> (Includes web based eligibility maintenance system, consolidated billing, EDI feeds to carriers & payroll, retiree billing, reconciliation and customer service)	Included in EIAH rates	Included in EIAH rates
	COBRA Administration for <b>EIAHealth members</b>	Included in EIAH rates (2% administrative fee charged to participant)	Included in EIAH rates
	FSA Administration for <b>EIAHealth members</b> (With Debit Card)	Included in EIAH rates	Included in EIAH rates
Other Medical (except OE3)	Administration for Medical plans ( <b>Kaiser, Pacific Care</b> ) (Includes web based eligibility maintenance system, consolidated billing, EDI feeds to carriers & payroll, retiree billing, reconciliation and customer service)	\$6.75	\$55,242
	COBRA Services for <b>Kaiser and PacificCare</b>	Included in administration fee for <b>Kaiser and Pacific Care</b> (2% administrative fee charged to participant)	N/A
	FSA Administration for <b>Kaiser &amp; PacificCare</b> members	Included in administration fee for <b>Kaiser and Pacific Care</b> (includes Debit Card)	N/A
Ancillary	Administration for <b>Delta, VSP &amp; Sun Life</b> members (Includes web based eligibility maintenance system, consolidated billing, EDI feeds to carriers & payroll, retiree billing, reconciliation and customer service)	\$0.50	\$10,098
	COBRA Services for <b>Delta, VSP &amp; MHN EAP</b> members	Included in the Benefits Administration Cost for <u>EIAHealth, PacificCare &amp; Kaiser Medical Enrolled</u> (2% administrative fee charged to participant)	N/A

**Installation Fees:** While not typically assessed, EBS can charge a \$85 per hour Start-up Fees for customized programming. If customized programming is required, EI Dorado County will be notified during the implementation process.

## Section 2: EIAHealth Program Overview

### *EIAHealth Quote Caveats*

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#### EIAHealth Quote Caveats for El Dorado County:

- The EIAHealth Program renews on January 1 of each year and the County will be required to move to a January renewal period with a move to EIAHealth
- To help with this transition, EIAHealth offers the following options:
  - 6 month rates – 7/1/2011 through 12/31/2011, with a renewal not to exceed **9.6%** for January 1, 2012
  - 18 month rates – 7/1/2011 through 12/31/2012
- Illustrations are annualized for comparison purposes
- The EIAHealth program is able to be offered alongside the OE3 Anthem PPO option with the following stipulations:
  - The OE3 plan is only available to current & future OE3 members who are employees of El Dorado County
  - The OE3 plan is not available to all employees of the County
- Rates provided in this proposal and the County's participation in EIAHealth have been approved by the CSAC-EIA EIAHealth Committee
- EIAHealth reserves the right to re-rate if upon acceptance of this proposal and finalization of open enrollment the total enrollment in the quoted EIAHealth plans changes by more than 10% from what was provided in the RFP data

## Section 2: EIAHealth Program Overview

### PPO Renewal History

Plan Year	El Dorado County All Plans	El Dorado County PPO only	EIA Health **	CA PPO Trend	CalPERS PERSChoice *
2004	13.22%	Not Available	10.00%	10.00%	18.02%
2005	9.30%	9.20%	7.20%	11.00%	5.82%
2006	0.00%	-3.26%	8.82%	10.00%	9.43%
2007	1.66%	4.10%	0.00%	11.00%	12.50%
2008	3.08%	5.62%	8.50%	10.00%	6.00%
2009	10.13%	4.31%	4.35%	10.00%	0.00%
2010	14.63%	19.87%	3.10%	10.00%	-5.00%
2011	TBD for 7/1/2011	TBD for 7/1/2011	11.80%	12.00%	14.33% ***
<b>3 -Year Average (EDC 2008/10) (EIA, CA PPO &amp; PERS 2009/11)</b>	<b>9.28%</b>	<b>9.93%</b>	<b>6.42%</b>	<b>10.67%</b>	<b>3.11%</b>
<b>6 -Year Average (2005-2010)</b>	<b>6.47%</b>	<b>6.64%</b>	<b>5.33%</b>	<b>10.33%</b>	<b>4.79%</b>

\* CalPERS PERSChoice renewal figures represent Sacramento Area (including El Dorado) renewal as published by CalPERS

\*\* EIAHealth % of increase represents overall program increase and does not reflect individual participant adjustments

\*\*\* 2011 CalPERS rates were reduced by 5% for expected claims reimbursement under Federal ERRP



## Section 2: EIAHealth Program Overview

### *Implementation Timeline*

<b>Implementation Timeline</b>	
<b>Action/Activity</b>	<b>Target Date (7/1/2011 Effective)</b>
Census Analysis for Estimated Rates	11/1/2010
Census Analysis for FINAL Rates	1/25/2011
HPAC Review of Proposal	2/10/2011
El Dorado County Board Meeting	2/15/2011
Final El Dorado County Decision	3/1/2011
Implementation Kick-Off	3/15/2011
Communications	4/1/2011
Enrollment System Set-Up & Testing	4/15/2011
Open Enrollment	5/1-5/15/2011
Files to Carriers	6/1/2011
<b>Effective</b>	<b>7/1/2011</b>

## Section 3: Pharmacy Program Analysis

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- Alliant conducted a pricing comparison of the County's current contract with Caremark to the Alliant purchasing program with Medco
- In addition, Alliant conducted a Pharmacy Disruption Analysis to determine the impact to members based on Medco's formulary
  - 12 months of claims were considered in determining:
    - Drugs currently utilized under Caremark that are NOT on Medco's formulary
    - Drugs currently utilized that are NOT on Caremark's formulary, but are included on Medco's formulary
- The Medco Program includes the following Quality Control Programs. These programs are similar to the programs currently included in the County's Caremark contract:
  - Enhanced Concurrent DUR
  - Retrospective DUR
  - High Utilization Intervention
  - Drug Specific Clinical Interventions
  - Dosage Control Program
  - Preferred Drug Step Therapy (by therapeutic class)
  - Prior Authorization

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## Section 3: Pharmacy Program Analysis

### Pharmacy Cost Comparison - Caremark

Contract Pricing Parameters	Current Caremark Discounts & Guarantees	Proposed Caremark (Year 1)	Proposed Caremark (Year 2)	Proposed Caremark (Year 3)
<b>Mail - Discounts and Fees</b>				
Brand	24.5%	24%	24.25%	24.50%
Generic	59%	65%	66%	67%
Brand Disp Fee	\$0.00	\$0.00	\$0.00	\$0.00
Generic Disp Fee	\$0.00	\$0.00	\$0.00	\$0.00
Per Mail Rx Admin Fees	\$0.00	\$0.00	\$0.00	\$0.00
<b>Mail - Rebates</b>				
% Share	N/A	N/A	N/A	N/A
Guarantee Basis	Total Rx	Total Rx	Total Rx	Total Rx
\$ Guarantee (Brand only)	\$21.20	\$30.75	\$33.56	\$36.98
<b>Retail - Discounts and Fees</b>				
Brand	16.5%	15.50%	15.75%	16.00%
Generic	56%	65.0%	66.0%	67.0%
Brand Fees	\$1.30	\$1.25	\$1.00	\$1.00
Generic Fees	\$1.30	\$1.25	\$1.00	\$1.00
Per Retail Rx Admin Fees	\$0.00	\$0.00	\$0.00	\$0.00
<b>Retail - Rebates</b>				
% Share	N/A	N/A	N/A	N/A
Guarantee Basis	Total Rx	Total Rx	Total Rx	Total Rx
\$ Guarantee	\$6.72	\$8.01	\$8.77	\$9.47

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## Section 3: Pharmacy Program Analysis

### Pharmacy Cost Comparison - Medco

Contract Pricing Parameters	Current Caremark Discounts & Guarantees	Proposed Medco Alliant Program (Year 1)	Proposed Medco Alliant Program (Year 2)	Proposed Medco Alliant Program (Year 3)
<b>Mail - Discounts and Fees</b>				
Brand	24.5%	26%	26%	26%
Generic	59%	72%	73%	74%
Brand Disp Fee	\$0.00	\$0.00	\$0.00	\$0.00
Generic Disp Fee	\$0.00	\$0.00	\$0.00	\$0.00
Per Mail Rx Admin Fees	\$0.00	\$0.00	\$0.00	\$0.00
<b>Mail - Rebates</b>				
% Share	N/A	85%	85%	85%
Guarantee Basis	Total Rx	Brand Rx	Brand Rx	Brand Rx
\$ Guarantee (Brand only)	\$21.20	\$51.00	\$51.5	\$54.5
<b>Retail - Discounts and Fees</b>				
Brand	16.5%	18.53%	18.53%	18.53%
Generic	56%	68.0%	69.0%	70.0%
Brand Fees	\$1.30	\$1.30	\$1.30	\$1.30
Generic Fees	\$1.30	\$1.30	\$1.30	\$1.30
Per Retail Rx Admin Fees	\$0.00	\$0.00	\$0.00	\$0.00
<b>Retail - Rebates</b>				
% Share	N/A	85%	85%	85%
Guarantee Basis	Total Rx	Brand Rx	Brand Rx	Brand Rx
\$ Guarantee	\$6.72	\$18.00	\$18.50	\$19.00

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## Section 3: Pharmacy Program Analysis

### Pharmacy Savings Analysis

	2011 Year 1	2012 Year 2	2013 Year 3
<b>Current Carrier - Caremark</b>			
Prescriptions Filled	28,162	29,288	30,460
Ingredient Cost	5,670,876	6,067,838	6,492,586
Discounted Ingredient Cost	3,464,387	3,671,611	3,890,870
Ingredient Cost / Script	\$123.02	\$125.36	\$127.74
Copay / Script	\$13.02	\$13.02	\$13.02
Admin & Dispensing Fee / Script	\$1.39	\$1.39	\$1.39
Rebates Returned / Script	\$4.86	\$5.32	\$5.81
Plan Cost / Script	\$106.52	\$108.41	\$110.29
<b>Total Projected Annual Cost - Caremark</b>	<b>2999759.049</b>	<b>3175186.502</b>	<b>3359447.756</b>
<b>Proposed Medco 2010 Offering - Medco</b>			
Prescriptions Filled	28,162	29,288	30,460
Ingredient Cost	5,670,876	6,067,838	6,492,586
Discounted Ingredient Cost	3,183,305	3,379,318	3,587,174
Ingredient Cost/Script	\$113.04	\$115.38	\$117.77
Copay / Script	\$13.02	\$13.02	\$13.02
Admin & Dispensing Fee / Script	\$1.13	\$1.13	\$1.13
Rebates Returned / Script	\$7.33	\$7.51	\$7.23
Plan Cost / Script	\$93.81	\$95.97	\$98.65
Medical Carrier Carve Out Fee (\$0.00 PCPM)	\$0.00	\$0.00	\$0.00
<b>Total Projected Annual Cost - Medco</b>	<b>2641860.191</b>	<b>2810901.443</b>	<b>3004730.599</b>
<b>Savings Dollars</b>	<b>\$357,899</b>	<b>\$364,285</b>	<b>\$354,717</b>
<b>Savings %</b>	<b>-11.93%</b>	<b>-11.47%</b>	<b>-10.56%</b>

<b>Three Year Projected Savings - moving to Medco</b>	<b>\$1,076,901</b>
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Note: Pricing offer assumes no changes in co-pay structure or clinical management programs

Note: Medco contract is a 3 year term. Medco provides clients with implementation and communication allowances (see financial offer for details)

Note: Savings analysis based on 2011 Caremark and Medco contracts.

## Section 3: Pharmacy Program Analysis

### Pharmacy Disruption Analysis

Formulary Comparison (Current vs. Medco) <sup>1</sup>					
Category	Caremark (Current) Formulary Status	Medco (Proposed) Formulary Status	Total Claims	% of Total Claims	Total Unique Members <sup>2</sup>
1	Generic	Generic	16,919	66.4%	1,519
2	Formulary (Single Source)	Formulary (Single Source)	4,297	16.9%	741
3	Formulary (Multi-Source)	Formulary (Multi-Source)	1,578	6.2%	391
4	Non-Formulary	Non-Formulary	565	2.2%	264
5	<b>Formulary<sup>3</sup></b>	<b>Non-Formulary</b>	<b>802</b>	<b>3.1%</b>	<b>200</b>
6	<b>Non-Formulary<sup>4</sup></b>	<b>Formulary</b>	<b>1,315</b>	<b>5.2%</b>	<b>399</b>
<b>Total</b>			<b>25,476</b>	<b>100.0%</b>	<b>1,626</b>

<sup>1</sup>This analysis was conducted using El Dorado pharmacy experience from Nov. 1, 2009 through Oct. 31, 2010

<sup>2</sup>Total unique members does not represent total employee count for El Dorado County. Total unique members represent number of members utilizing drugs in the different drug categories 1-6 listed above. Members could be represented in more than one category.

<sup>3</sup>Of the total disrupted claims (Caremark formulary, Medco non-formulary): approximately 86% are maintenance drugs and 14% are acute drugs

<sup>4</sup>Of the total enhanced claims (Medco formulary, Caremark non-formulary): approximately 78% are maintenance drugs and 22% are acute drugs

#### Summary of Analysis:

- There were 1,626 unique members that filled at least one prescription for themselves in the twelve month claims period.

- **Disruption (shown in category 5):** A percentage of formulary drugs under Caremark are considered non-formulary drugs under Medco. There are 802 claims that were affected by the difference in formularies. These claims make up 3.1% of total claims incurred by El Dorado County in the 12 month period analyzed. There are 200 unique members that fall under this particular category. These 200 members make up 12% of all 1,626 members that filled prescriptions in the last 12 months.

- **Enhancements (shown in category 6):** A percentage of non-formulary drugs under Caremark are considered formulary drugs under Medco. There are 1,315 claims that were affected by the difference in formularies. These claims make up 5.2% of total claims incurred by El Dorado County in the 12 month period analyzed. There are 399 unique members that fall under this particular category. These 399 members make up 24.5% of all 1,626 members that filled prescriptions in the last 12 months.

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## Exhibit A: Enrollment Summary by Plan

### Enrollment Summary

Medical Plans	7/1/2008 Renewal (as of March 2008)	% of Total	7/1/2009 Renewal (as of March 2009)	% of Total	7/1/2010 Renewal (as of March 2010)	Post 7/1/2010 OE (as of Oct 2010)	% of Total
Kaiser HMO Actives	376	20%	426	22%	348	375	22%
Kaiser HMO Retirees <65 and 65+	115	6%	120	6%	115	129	8%
PacifiCare HMO	189	10%	187	10%	186	178	11%
Blue Shield PPO Actives	962	51%	925	48%	834	735	44%
Blue Shield PPO Retirees	257	14%	272	14%	274	266	16%
Operating Engineers Plan	N/A	N/A	N/A	N/A	N/A	228	14%
<b>Total (OE 3 excluded)</b>	<b>1,899</b>	<b>100%</b>	<b>1,930</b>	<b>100%</b>	<b>1,757</b>	<b>1,683</b>	<b>100%</b>

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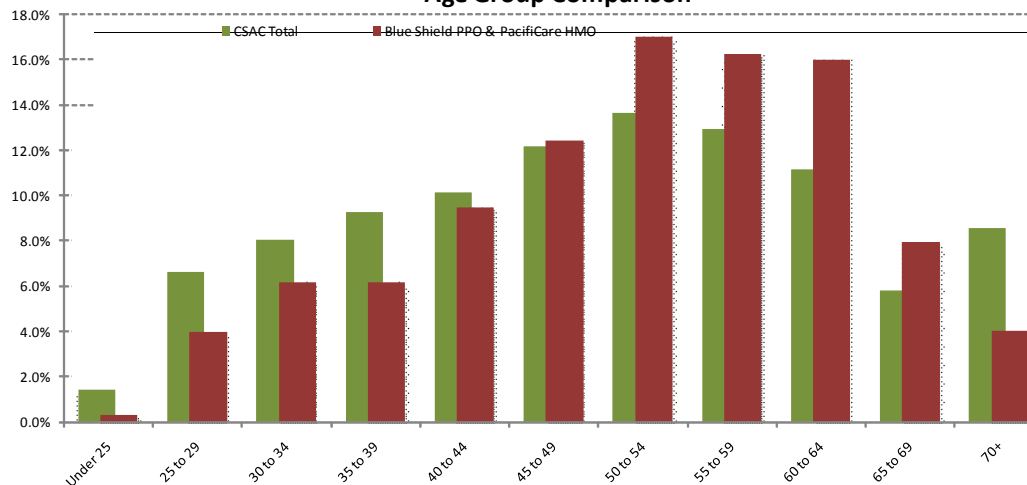
# Exhibit B: EIAHealth Demographic Comparison

## DEMOGRAPHIC ANALYSIS COMPARISON

CSAC TOTAL vs. Blue Shield PPO & PacifiCare HMO

Enrollment By Age Group				
Category	CSAC Total	% of all	Blue Shield PPO & PacifiCare HMO	% of all
Under 25	223	1.4%	4	0.3%
25 to 29	1036	6.6%	47	4.0%
30 to 34	1257	8.1%	73	6.2%
35 to 39	1447	9.3%	73	6.2%
40 to 44	1589	10.2%	112	9.5%
45 to 49	1905	12.2%	147	12.5%
50 to 54	2132	13.7%	201	17.0%
55 to 59	2022	13.0%	192	16.3%
60 to 64	1747	11.2%	189	16.0%
65 to 69	912	5.8%	94	8.0%
70+	1343	8.6%	48	4.1%
	15613		1180	

### Age Group Comparison



	CSAC Total	% of all	Blue Shield PPO & PacifiCare HMO	% of all
Male	7879	50.5%	491	41.6%
Female	7734	49.5%	689	58.4%
Average Age	50.21		51.77	
Early Retiree %	10.81%		14.07%	
Members/Subscriber	1.94		2.06	

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# Exhibit C: EIAHealth Summary compared to Current ASO Plan

Plan Components	Blue Shield PPO - Direct Self-funded ASO Current	Blue Shield PPO - CSAC-EIA EIAHealth Proposed
<b>Benefit Plan Design</b>	Benefit changes are at discretion of County	Benefit changes are at discretion of County EIAHealth does NOT require plan design changes RX vendor change to Medco
<b>Renewal Rate-setting</b>	Self-Funded (County sets rates and is liable for all medical and RX claims up to Stop Loss limits)	Fixed Rates (County is only responsible for paying the fully-funded quoted rates *)
<b>Rate Stability</b>	<ul style="list-style-type: none"> <li>• 900 employees in the County</li> <li>• 3-Year Average: 9.93%</li> <li>• Renewal increases fluctuate</li> </ul>	<ul style="list-style-type: none"> <li>• 80,000 employees in the pool</li> <li>• 3-Year Average: 6.42%</li> <li>• Pooled renewal for the first 2 years</li> <li>• At 3rd year, renewal is calculated based on the pooled renewal <math>\pm 7\%</math> - based on County Loss Ratio compared to EIAHealth Loss Ratio</li> </ul>
<b>Renewal Timing</b>	July 1st	January 1st
<b>IBNR (Incurred but not reported)</b>	Required County currently has between \$2 - \$3 million in IBNR	Included in Fixed Rates County no longer needs to maintain reserve
<b>Stop Loss</b>	SunLife Component of Total Rate	Individual groups no longer need to purchase stoploss separately when they participate in the EIA Health pool. Member group liability is fixed at the established rate for each policy year and thus a group specific risk retention level is unnecessary. The pool uses its size and stability at 80,000 employees to effectively spread the risk of large claims across the entire program
<b>Rx</b>	Caremark Component of Total Rate	Medco Included in Fixed Rates
<b>Mental Health/Substance Abuse</b>	MHN - Carved out	MHN - Carved out
<b>Billing (Actives)</b>	County pays each vendor separately For Medical = Blue Shield, SunLife, Caremark, MHN	EIAHealth provides Consolidated Billing Benefits Administration system is included in Fixed Rates & includes Consolidated Billing
<b>Billing (Retirees)</b>	County pays each vendor separately For Medical = Blue Shield, SunLife, Caremark, MHN	EIAHealth provides Consolidated Billing Benefits Administration system is included in Fixed Rates & includes Consolidated Billing & Retiree Administration
<b>COBRA Administration (Medical)</b>	County Administers COBRA in-house Total Estimated COBRA Cost: \$13,000/year	EIAHealth includes full Benefits Administration included in the Fixed Rates Kaiser and PacifiCare Members (Benefits Administration): \$6.75 pepm
<b>COBRA Administration (Dental, Vision, Life/LTD)</b>	County Administers COBRA in-house Total Estimated COBRA Cost: \$13,000/year	EIAHealth Benefits Administration system allows the County to include all other coverages for \$.50 pepm
<b>FSA</b>	County Administers FSA in-house Estimated Cost: \$34,000/year	EIAHealth includes full Benefits Administration included in the Fixed Rates
<b>Contract Terms</b>	Current Vendors require a 30-day Termination Notice	3-Year Commitment
<b>Program Dividends/Assessments</b>	N/A	Dividends - are available if there is a surplus Assessments - EIAHealth/SISC maintains a reserve of over 200% of actuarially required reserves
<b>Reporting</b>	As Requested	Periodic Utilization Reports

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## Exhibit D: Blue Shield PPO

### *PPO Renewal Summary – Option 3*

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- **Projected increase of 13.85% for the 7/1/2011 through 6/30/2012 plan year**
  
- **Contributing Factors**
  - Enrollment decreased by 10.6%
    - December 2009: 1,108 employees
    - December 2010: 991 employees
  
  - PEPM PPO medical claims increased by 11.3%  
(compared with the 26.8% increase of 2008 vs. 2009)
    - 1/1/2009-12/31/2009: \$851
    - 1/1/2010-12/31/2010: \$947
  
  - PEPM Pharmacy claims decreased by 3%  
(compared with the 3.5% increase of 2008 vs. 2009)
    - 1/1/2009-12/31/2009: \$269
    - 1/1/2010-12/31/2010: \$261
  
- Overall, medical and pharmacy claims have stabilized for the County
  - Pharmacy quality and monitoring programs have helped decrease monthly pharmacy claims costs
  - With the appropriate rate setting for 7/1/2010, the County is looking at a renewal rate trend for the 7/1/2011 plan year

# Exhibit D: Blue Shield PPO

## PPO Renewal Experience Summary – Option 3

Month	Enrollment	Total Funding	Medical Claims	Rx Claims	Total Claims (Medical + Rx)	Admin	Total Costs (Med/Rx/Admin)	Total Costs PEPM	Rolling 12 PEPM	EDC Specific Case Trend	Loss Ratio (by Month)	Loss Ratio (by Year)
Jan-09	1,230	\$1,394,906.10	\$817,901.00	\$307,402.54	\$1,125,303.54	\$183,306.90	\$1,308,610	\$ 1,063.91			93.8%	
Feb-09	1,201	\$1,362,018.07	\$861,576.00	\$305,859.93	\$1,167,435.93	\$178,985.03	\$1,346,421	\$ 1,121.08			98.9%	
Mar-09	1,199	\$1,359,749.93	\$1,137,413.00	\$354,722.93	\$1,492,135.93	\$178,686.97	\$1,670,823	\$ 1,393.51			122.9%	
Apr-09	1,203	\$1,364,286.21	\$953,719.00	\$318,154.23	\$1,271,873.23	\$179,283.09	\$1,451,156	\$ 1,206.28			106.4%	
May-09	1,197	\$1,357,481.79	\$944,474.00	\$306,640.92	\$1,251,114.92	\$178,388.91	\$1,429,504	\$ 1,194.24			105.3%	
Jun-09	1,191	\$1,350,677.37	\$990,964.00	\$344,616.86	\$1,335,580.86	\$177,494.73	\$1,513,076	\$ 1,270.42			112.0%	
Jul-09	1,214	\$1,475,240.66	\$1,023,436.00	\$303,849.54	\$1,327,285.54	\$197,469.24	\$1,524,755	\$ 1,255.98			103.4%	
Aug-09	1,174	\$1,426,633.06	\$1,282,608.00	\$311,082.65	\$1,593,690.65	\$190,962.84	\$1,784,653	\$ 1,520.15			125.1%	
Sep-09	1,161	\$1,410,835.59	\$777,199.00	\$325,523.53	\$1,102,722.53	\$188,848.26	\$1,291,571	\$ 1,112.46			91.5%	
Oct-09	1,157	\$1,405,974.83	\$1,182,855.00	\$364,680.77	\$1,547,535.77	\$188,197.62	\$1,735,733	\$ 1,500.20			123.5%	
Nov-09	1,121	\$1,362,227.99	\$876,968.00	\$276,390.48	\$1,153,358.48	\$182,341.86	\$1,335,700	\$ 1,191.53			98.1%	
Dec-09	1,108	\$1,346,430.52	\$1,178,250.00	\$292,923.50	\$1,471,173.50	\$180,227.28	\$1,651,401	\$ 1,490.43	\$ 1,276.68	18.7%	122.7%	109%
Jan-10	1,086	\$1,319,696.34	\$833,516.00	\$292,322.96	\$1,125,838.96	\$176,648.76	\$1,302,488	\$ 1,199.34			98.7%	
Feb-10	1,084	\$1,317,265.96	\$926,929.00	\$283,028.35	\$1,209,957.35	\$176,323.44	\$1,386,281	\$ 1,278.86			105.2%	
Mar-10	1,083	\$1,316,050.77	\$960,806.00	\$322,128.92	\$1,282,934.92	\$176,160.78	\$1,459,096	\$ 1,347.27			110.9%	
Apr-10	1,085	\$1,318,481.15	\$1,298,141.00	\$255,549.09	\$1,553,690.09	\$176,486.10	\$1,730,176	\$ 1,594.63			131.2%	
May-10	1,086	\$1,319,696.34	\$1,084,642.00	\$277,168.45	\$1,361,810.45	\$176,648.76	\$1,538,459	\$ 1,416.63			116.6%	
Jun-10	1,081	\$1,313,620.39	\$1,027,676.00	\$303,591.06	\$1,331,267.06	\$175,835.46	\$1,507,103	\$ 1,394.17			114.7%	
Jul-10	1,016	\$1,483,461.60	\$770,789.00	\$261,046.96	\$1,031,835.96	\$120,345.20	\$1,152,181	\$ 1,134.04			77.7%	
Aug-10	1,013	\$1,479,081.30	\$904,078.00	\$230,517.48	\$1,134,595.48	\$119,989.85	\$1,254,585	\$ 1,238.49			84.8%	
Sep-10	1,006	\$1,468,860.60	\$763,175.00	\$267,172.06	\$1,030,347.06	\$119,160.70	\$1,149,508	\$ 1,142.65			78.3%	
Oct-10	1,000	\$1,460,100.00	\$1,331,386.00	\$248,457.35	\$1,579,843.35	\$118,450.00	\$1,698,293	\$ 1,698.29			116.3%	
Nov-10	997	\$1,455,719.70	\$945,102.00	\$256,272.22	\$1,201,374.22	\$118,094.65	\$1,319,469	\$ 1,323.44			90.6%	
Dec-10	991	\$1,446,959.10	\$1,017,503.00	\$274,152.67	\$1,291,655.67	\$117,383.95	\$1,409,040	\$ 1,421.84	\$ 1,349.14	5.7%	97.4%	101%

# Exhibit D: Blue Shield PPO

## PPO Renewal Underwriting Analysis – Option 3

EL DORADO COUNTY				
July 1, 2011 Self-Insured Health Plan Renewal: 12 MONTH RATES				
Renewal Date Most Recent Experience Month	ALL PLANS		Total	Total (Annualized)
	Medical	Pharmacy		
Jul-11 Dec-10				
Current Monthly Funding (accrual rates)			\$1,436,319	\$16,360,832
Projected Monthly Enrollment (currently enrolled)				991
Avg Monthly Enrollment (rolling 12)			1,044	1,044
Current Funding PEPM			\$1,375.78	\$1,376
<b>Incurred Claims<sup>1</sup></b>				
Large Claim Adjustment (amts > \$50k removed)	\$11,809,878 (\$3,010,865)	\$3,250,622 \$0	\$15,060,500 (\$3,010,865)	\$15,060,500 (\$3,010,865)
Adjusted Incurred Claims	\$8,799,013	\$3,250,622	\$12,049,635	\$12,049,635
Annual Subscriber Lives	12,528	12,528	12,528	12,528
Adjusted Incurred Claims PEPM	\$702.35	\$259.47	\$961.82	\$12,049,635
<b>Trend Adjustment</b>				
Annual Trend	12.0%	9.0%		
Applied Trend Factor	1.1853	1.1380	1.1725	1.1725
Trended Claims PEPM	\$832.49	\$295.27	\$1,127.76	\$13,411,368
<b>24 Month Underwriting Adjustment</b>				
Prior 12 Trended Claims PEPM (30%)	\$889.23	\$347.72	\$1,236.95	\$1,584.66
Current 12 Trended Claims PEPM (70%)	\$832.49	\$295.27	\$1,127.76	\$1,423.04
Blended Trended Claims PEPM	\$842.18	\$315.29	\$1,157.47	\$13,764,638
Large Claim Layer Cost (\$50k to Stoploss)	\$260.52		\$260.52	
CONTRACT CHANGE ADJUSTMENT (Rx Renewal Contract = -3.06%)	\$0.00	(\$9.65)	(\$9.65)	(\$114,733)
PLAN DESIGN CHANGE ADJUSTMENT	\$0.00	\$0.00	\$0.00	\$0
TOTAL Projected Claims PEPM	\$1,102.70	\$305.64	\$1,408.35	\$16,748,059
Margin (1%)	\$11.03	\$3.06	\$14.08	\$167,481
HCR Impact (1.5%)	\$21.13		\$21.13	\$251,221
Rx Rebate (Based on proj 2011 rebates)		(\$11.08)	(\$11.08)	(\$131,763)
<b>PPO Fixed Costs</b>				
ASO Fees (BSC) - FIRM 0% change	\$45.16		\$45.16	\$536,984
Stoploss (Specific) - Est 25% Increase	\$74.95		\$74.95	\$891,270
Stoploss (Aggregate) - Est 0% change	\$3.08		\$3.08	\$36,627
MHSA Carve-Out - FIRM 4.2% change	\$10.72		\$10.72	\$127,465
PPO Fixed Costs	\$133.90	\$0.00	\$133.90	\$1,592,347
<b>Net Required Premium PEPM</b>	<b>\$1,268.76</b>	<b>\$297.62</b>	<b>\$1,566.38</b>	<b>\$18,627,344</b>
<b>Net Required Premium Change</b>			<b>13.85%</b>	<b>13.85%</b>

<sup>1</sup> Incurred claims represent paid claims that have been adjusted for IBNR changes.

# Exhibit E: Blue Shield PPO

## Actives & Early Retirees

Benefits	Current		Option 1		Option 2		Option 3	
	Blue Shield PPO MH/SA Carved Out with MHN		Blue Shield (EIAHealth) PPO MH/SA Carved Out with MHN		Blue Shield PPO MH/SA Carved Out with MHN		Blue Shield PPO MH/SA Carved Out with MHN	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Calendar Year Deductible</b> Individual / Family	\$200 / \$400		\$200 / \$400		\$200 / \$400		\$200 / \$400	
<b>Annual Out-of-Pocket Maximum</b> Individual / Family	\$1,000 / \$2,000		\$1,000 / \$2,000		\$1,000 / \$2,000		\$1,000 / \$2,000	
<b>Lifetime Maximum</b> Per Person	\$2,000,000		Unlimited*		Unlimited*		Unlimited*	
Physician Office Visit	20%	40%	20%	40%	20%	40%	20%	40%
Specialist Copay	20%	40%	20%	40%	20%	40%	20%	40%
Preventative Care	20%	40%	No Charge*	40%	No Charge*	40%	No Charge*	40%
Lab and X-Ray	20%	40%	20%	40%	20%	40%	20%	40%
<b>Hospitalization</b>								
Inpatient	20%	40%	20%	40%	20%	40%	20%	40%
Outpatient Surgery	20%	40%	20%	40%	20%	40%	20%	40%
Emergency Room	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)
Ambulance Services	20%	20%	20%	20%	20%	20%	20%	20%
Durable Medical Equipment	20%	40%	20%	40%	20%	40%	20%	40%
Home Health Services	20%	Not Covered	20%	Not Covered	20%	Not Covered	20%	Not Covered
Hospice Care	20%	Not Covered	20%	Not Covered	20%	Not Covered	20%	Not Covered
Chiropractic	\$10/visit (30 visits/calendar year)	50% (Max \$30/visit)	\$10/visit (30 visits/calendar year)	50% (Max \$30/visit)	\$10/visit (30 visits/calendar year)	50% (Max \$30/visit)	\$10/visit (30 visits/calendar year)	50% (Max \$30/visit)
Acupuncture (smoking cessation only)	20%	40%	20%	40%	20%	40%	20%	40%
<b>Prescription Drugs</b>	<b>Caremark:</b> Generic / Brand / Non-Formulary		<b>Medco:</b> Generic / Brand / Non-Formulary		<b>Medco:</b> Generic / Brand / Non-Formulary		<b>Caremark:</b> Generic / Brand / Non-Formulary	
Retail	\$10/\$15/\$30 (34 day)		\$10/\$15/\$30 (34 day)		\$10/\$15/\$30 (34 day)		\$10/\$15/\$30 (34 day)	
Mail Order	\$10/\$15/\$30 (90 day)	Not Covered	\$10/\$15/\$30 (90 day)	Not Covered	\$10/\$15/\$30 (90 day)	Not Covered	\$10/\$15/\$30 (90 day)	Not Covered
	Rates include Mental Health/Substance Abuse with MHN Carved-Out		Rates include Mental Health/Substance Abuse with MHN Carved-Out		Rates include Mental Health/Substance Abuse with MHN Carved-Out		Rates include Mental Health/Substance Abuse with MHN Carved-Out	
<b>Rates</b>	EE's	Current 7/1/10-7/1/11	6-Month Rates 7/1/11-1/1/12 **	18-Month Rates 7/1/11-1/1/13	Renewal 7/1/11-7/1/12	Renewal 7/1/11-7/1/12		
Employee Only	371	\$875.74	\$918.50	\$1,000.40	\$980.11	\$997.06		
Two Party	304	\$1,578.16	\$1,656.37	\$1,803.97	\$1,766.23	\$1,796.78		
Family	226	\$2,193.07	\$2,302.52	\$2,507.63	\$2,454.43	\$2,496.88		
<b>Monthly Premium</b>	901	\$1,300,292	\$1,364,670	\$1,486,280	\$1,455,258	\$1,480,425		
<b>Annual % Change to Current</b>			4.95%	14.30%	11.92%	13.85%		

\* Health Care Reform benefit changes are highlighted in blue. The average claims impact is 1.5%:

- Unlimited Lifetime Maximum
- \$0 Preventive Care
- Dependent to Age 26

\*\* For the January 1, 2012 renewal, EIA Health will offer the program average renewal, but guarantees the renewal not to exceed 9.6% specifically for El Dorado County

Note: Claims Fiduciary Services are included in the Blue Shield EIAHealth rates. For Blue Shield direct, the cost to include claims fiduciary services is estimated at \$0.95/PEPM.

# Exhibit E: Blue Shield PPO

## Retirees over 65 Standard Option

Benefits	Current		Option 1		Option 2		Option 3	
	Blue Shield PPO Standard MH/SA Carved Out with MHN		Blue Shield (EIAHealth) PPO Standard MH/SA Carved Out with MHN		Blue Shield PPO Standard MH/SA Carved Out with MHN		Blue Shield PPO Standard MH/SA Carved Out with MHN	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Calendar Year Deductible Individual / Family	\$200 / \$400		\$200 / \$400		\$200 / \$400		\$200 / \$400	
Annual Out-of-Pocket Maximum Individual / Family	\$1,000 / \$2,000		\$1,000 / \$2,000		\$1,000 / \$2,000		\$1,000 / \$2,000	
Lifetime Maximum Per Person	\$2,000,000		Unlimited*		Unlimited*		Unlimited*	
Physician Office Visit	20%	40%	20%	40%	20%	40%	20%	40%
Specialist Copay	20%	40%	20%	40%	20%	40%	20%	40%
Preventative Care	20%	40%	No Charge*	40%	No Charge*	40%	No Charge*	40%
Lab and X-Ray	20%	40%	20%	40%	20%	40%	20%	40%
Hospitalization								
Inpatient	20%	40%	20%	40%	20%	40%	20%	40%
Outpatient Surgery	20%	40%	20%	40%	20%	40%	20%	40%
Emergency Room	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)
Durable Medical Equipment	20%	40%	20%	40%	20%	40%	20%	40%
Home Health Services	20%	Not Covered	20%	Not Covered	20%	Not Covered	20%	Not Covered
Hospice Care	20%	Not Covered	20%	Not Covered	20%	Not Covered	20%	Not Covered
Chiropractic	\$10/visit	50% (Max \$30/visit)	\$10/visit	50% (Max \$30/visit)	\$10/visit	50% (Max \$30/visit)	\$10/visit	50% (Max \$30/visit)
Acupuncture (smoking cessation only)	20%	40%	20%	40%	20%	40%	20%	40%
Prescription Drugs	Caremark: Generic / Brand / Non-Formulary		Medco: Generic / Brand / Non-Formulary		Medco: Generic / Brand / Non-Formulary		Caremark: Generic / Brand / Non-Formulary	
Retail	\$8/\$15/\$30 (30-day)		\$8/\$15/\$30 (30-day)		\$8/\$15/\$30 (30-day)		\$8/\$15/\$30 (30-day)	
Mail Order	\$8/\$15/\$30 (90-day)	Not Covered	\$8/\$15/\$30 (90-day)	Not Covered	\$8/\$15/\$30 (90-day)	Not Covered	\$8/\$15/\$30 (90-day)	Not Covered
	Rates include Mental Health/Substance Abuse with MHN Carved-Out		Rates include Mental Health/Substance Abuse with MHN Carved-Out		Rates include Mental Health/Substance Abuse with MHN Carved-Out		Rates include Mental Health/Substance Abuse with MHN Carved-Out	
Rates	Current	Current	6-Month Rates	18-Month Rates	Renewal	Renewal	Renewal	Renewal
	7/1/10-7/1/11	7/1/10-7/1/11	7/1/11-1/1/12 **	7/1/11-1/1/13	7/1/11-7/1/12	7/1/11-7/1/12	7/1/11-7/1/12	7/1/11-7/1/12
One in Medicare A & B	\$618.55	\$618.55	\$651.02	\$708.87	\$692.27	\$704.24	\$704.24	\$704.24
One in Medicare A & B and one not in Medicare A & B	\$1,321.01	\$1,321.01	\$1,389.48	\$1,513.03	\$1,478.45	\$1,504.02	\$1,504.02	\$1,504.02
Two in Medicare A & B	\$1,151.99	\$1,151.99	\$1,219.19	\$1,326.93	\$1,289.28	\$1,311.58	\$1,311.58	\$1,311.58
Monthly Premium	96	\$75,669	\$79,769	\$86,846	\$84,687	\$86,152	\$86,152	\$86,152
Annual % Change to Current			5.42%	14.77%	11.92%	13.85%	13.85%	13.85%

\* Health Care Reform benefit changes are highlighted in blue. The average claims impact is 1.5%:

- Unlimited Lifetime Maximum
- \$0 Preventive Care
- Dependent to Age 26

\*\* For the January 1, 2012 renewal, EIA Health will offer the program average renewal, but guarantees the renewal not to exceed 9.6% specifically for El Dorado County

Note: Claims Fiduciary Services are included in the Blue Shield EIAHealth rates. For Blue Shield direct, the cost to include claims fiduciary services is estimated at \$0.95/PEPM.

# Exhibit E: Blue Shield PPO

## Retirees over 65 Low Option

Benefits	Option 3 Blue Shield PPO Low MH/SA Carved Out with MHN		Option 1 Blue Shield (EIAHealth) PPO Low MH/SA Carved Out with MHN		Option 2 Blue Shield PPO Low MH/SA Carved Out with MHN		Option 3 Blue Shield PPO Low MH/SA Carved Out with MHN	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Calendar Year Deductible</b> Individual / Family	\$1,000 / \$2,000		\$1,000 / \$2,000		\$1,000 / \$2,000		\$1,000 / \$2,000	
<b>Annual Out-of-Pocket Maximum</b> Individual / Family	\$3,000 / \$6,000		\$3,000 / \$6,000		\$3,000 / \$6,000		\$3,000 / \$6,000	
<b>Lifetime Maximum</b> Per Person	Unlimited*		Unlimited*		Unlimited*		Unlimited*	
Physician Office Visit	30%	50%	30%	50%	30%	50%	30%	50%
Specialist Copay	30%	50%	30%	50%	30%	50%	30%	50%
Preventative Care	No Charge*	50%	No Charge*	50%	No Charge*	50%	No Charge*	50%
Lab and X-Ray	20%	50%	20%	50%	20%	50%	20%	50%
<b>Hospitalization</b>								
Inpatient	20%	50%	20%	50%	20%	50%	20%	50%
Outpatient Surgery	20%	50%	20%	50%	20%	50%	20%	50%
Emergency Room	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)	\$50/visit + 20% (\$50 waived if admitted)
Durable Medical Equipment	20%	50%	20%	50%	20%	50%	20%	50%
Home Health Services	20%	Not Covered	20%	Not Covered	20%	Not Covered	20%	Not Covered
Hospice Care	20%	Not Covered	20%	Not Covered	20%	Not Covered	20%	Not Covered
Chiropractic	\$10/visit (30 visits/calendar year)	50% (Max \$30/visit)	\$10/visit (30 visits/calendar year)	50% (Max \$30/visit)	\$10/visit (30 visits/calendar year)	50% (Max \$30/visit)	\$10/visit (30 visits/calendar year)	50% (Max \$30/visit)
Acupuncture (smoking cessation only)	20%	20%	20%	20%	20%	20%	20%	20%
<b>Prescription Drugs</b>	<b>Caremark:</b> <b>Generic / Brand / Non-Formulary</b>		<b>Medco:</b> <b>Generic / Brand / Non-Formulary</b>		<b>Medco:</b> <b>Generic / Brand / Non-Formulary</b>		<b>Caremark:</b> <b>Generic / Brand / Non-Formulary</b>	
Retail	\$8/\$15/\$30 (30-day)		\$8/\$15/\$30 (30-day)		\$8/\$15/\$30 (30-day)		\$8/\$15/\$30 (30-day)	
Mail Order	\$8/\$15/\$30 (90-day)	Not Covered	\$8/\$15/\$30 (90-day)	Not Covered	\$8/\$15/\$30 (90-day)	Not Covered	\$8/\$15/\$30 (90-day)	Not Covered
	Rates include Mental Health/Substance Abuse with MHN Carved-Out		Rates include Mental Health/Substance Abuse with MHN Carved-Out		Rates include Mental Health/Substance Abuse with MHN Carved-Out		Rates include Mental Health/Substance Abuse with MHN Carved-Out	
<b>Rates</b>	EE's	Current 7/1/10-7/1/11	6-Month Rates 7/1/11-1/1/12 **	18-Month Rates 7/1/11-1/1/13	Renewal 7/1/11-7/1/12	Renewal 7/1/11-7/1/12		
One in Medicare A & B	3	\$564.61	\$594.80	\$647.61	\$631.89	\$642.82		
One in Medicare A & B and one not in Medicare A & B	0	\$1,202.34	\$1,265.81	\$1,378.26	\$1,345.63	\$1,368.90		
Two in Medicare A & B	1	\$1,044.10	\$1,106.76	\$1,204.41	\$1,168.54	\$1,188.75		
<b>Monthly Premium</b>	4	\$2,738	\$2,891	\$3,147	\$3,064	\$3,117		
<b>Annual % Change to Current</b>			5.60%	14.95%	11.92%	13.85%		

\* Health Care Reform benefit changes are highlighted in blue. The average claims impact is 1.5%:

- Unlimited Lifetime Maximum
- \$0 Preventative Care
- Dependent to Age 26

\*\* For the January 1, 2012 renewal, EIA Health will offer the program average renewal, but guarantees the renewal not to exceed 9.6% specifically for EI Dorado County

Note: Claims Fiduciary Services are included in the Blue Shield EIAHealth rates. For Blue Shield direct, the cost to include claims fiduciary services is estimated at \$0.95/PEPM.

## Exhibit G: Provider Network Comparison

### PPO Top 100 Providers Comparison Summary

Alliant conducted a Network Analysis to determine if the Blue Shield PPO network provided the best network match for the County's Self-funded health plan. As indicated below, the Blue Cross and United Healthcare networks would cause disruption to El Dorado County employees. Due to estimated rates for both United Healthcare and Blue Cross, as well as the network disruption, HPAC made the decision to not to pursue these alternative carriers.

Top 100 PPO Providers Comparison Summary  
 Provided by Blue Shield of California on 10/29/2010  
 Paid Date: 10/1/09-9/30/10

Medical Providers	Blue Shield	%	Blue Cross	In-Network % Disrupted	United Healthcare	In-Network % Disrupted
In-Network	97	97%	56	42%	89	8%
Out-of-Network	3	3%	44		11	
<b>TOTAL</b>	<b>100</b>	<b>100%</b>	<b>100</b>		<b>100</b>	

Facilities	Blue Shield	%	Blue Cross	In-Network % Disrupted	United Healthcare	In-Network % Disrupted
In-Network	91	91%	56	38%	87	4%
Out-of-Network	9	9%	44		13	
<b>TOTAL</b>	<b>100</b>	<b>100%</b>	<b>100</b>		<b>100</b>	

Professional	Blue Shield	%	Blue Cross	In-Network % Disrupted	United Healthcare	In-Network % Disrupted
In-Network	97	97%	56	42%	92	5%
Out-of-Network	3	3%	44		8	
<b>TOTAL</b>	<b>100</b>	<b>100%</b>	<b>100</b>		<b>100</b>	



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