

MEDICARE RETIREES

September 30, 2009
Gallagher Benefit Services, Inc.

Current Benefits

- OSEEGIB/BCBS/UHC
 - All offer a fully insured Senior Supplement product
 - Very similar to traditional Medigap products (Plan F)
 - Benefits are nearly identical between the vendors
 - Members must be enrolled in Part A and Part B
 - Part A – Hospitalization (no cost to member)
 - Part B – Professional (member is assessed a separate fee from CMS for this benefit – no change from today)
 - There is no network of doctors
 - If provider accepts Medicare, the OSEEGIB/BCBS/UHC product will pay benefits
 - OSEEGIB/BCBS/UHC offer a similar prescription drug benefit
 - Part D – Prescription Drug (member does not have to enroll via CMS, the carrier will enroll them)

Cost Summary

Plan	Medicare Status	OSEEGIB	BCBS	UHC
High Plan w/Part D (65 - 69)	New to MCR	\$289.42	\$279.77	\$294.20
High Plan w/Part D (65 - 69)	Not New to MCR	\$289.42	\$313.97	\$294.20
High Plan w/Part D (70 +)	New to MCR	\$289.42	\$331.07	\$294.20
High Plan w/Part D (70 +)	Not New to MCR	\$289.42	\$359.27	\$294.20
Low Plan w/ Part D (65 - 69)	New to MCR	\$236.10	\$204.30	\$233.46
Low Plan w/ Part D (65 - 69)	Not New to MCR	\$236.10	\$238.50	\$233.46
Low Plan w/ Part D (70 +)	New to MCR	\$236.10	\$255.60	\$233.46
Low Plan w/ Part D (70 +)	Not New to MCR	\$236.10	\$283.80	\$233.46
Without Part D (65 - 69)	New to MCR	NA ⁽¹⁾	\$136.90	\$185.30
Without Part D (65 - 69)	Not New to MCR	NA ⁽¹⁾	\$171.10	\$185.30
Without Part D (70 +)	New to MCR	NA ⁽¹⁾	\$188.20	\$185.30
Without Part D (70 +)	Not New to MCR	NA ⁽¹⁾	\$216.40	\$185.30

Sets of Rates

4 Rates

12 Rates

3 Rates

- Over 60% of enrollment fall into the High Plan w/ Part D (70 +) – Not New to Medicare category.
 - Would see a \$69.85 per month increase in cost compared to OSEEGIB.
 - Only a \$4.78 per month increase in cost for UHC.

UHC Differentiators

- UHC offers a true group product versus BCBS, which is an individual product
 - UHC's group product has three sets of rates: High, Low, and without Part D (is not age rating).
 - BCBS's offer is 12 set of rates for the same High, Low, and without Part D offering (is age rated).
 - UHC offers a 45 day grace period (BCBS does not)
 - Allows time to reconcile OTRS/Retiree contributions
 - It is easier to reinstate a member on a group product versus an individual product
 - The billing process is much easier and stream lined on a group product versus an individual product

Other UHC Differentiators

- UHC is the largest provider of group Medicare retiree benefits with over 2.8 million members on a Senior Supplement product
 - One in five Medicare members are covered by UHC
 - Over 2,000 group retiree clients
- UHC offers several value added benefits
 - Senior fitness (a.k.a. Silver Sneakers) – complementary gym membership
 - 24 hour nurse line
 - Caregiver – 24 hour (telephonic) care support line
 - Health Allies – 10% to 15% discounts for hearing aids, wellness, and other alternative/preventative medicines.

UHC Implementation

- UHC will have a dedicated implementation team
 - Team recently installed State of Georgia
 - Will provide a implementation manager and a client manager that will coordinate communication to the retirees (timeline in separate document)
- UHC is aware of the dynamics with OSEEGIB
 - UHC, via PacifiCare, is currently offered through OSEEGIB
 - UHC has implement several large groups and is accustom to complexity
 - UHC is also aware that HealthSmart will be the retiree administrator