

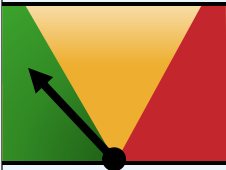

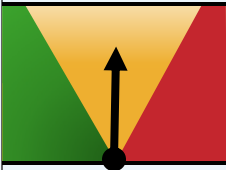



USING THE DASHBOARD TO MONITOR THE HEALTH PROFILE OF THE POPULATION

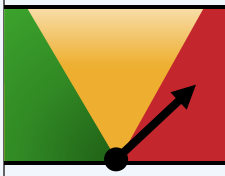
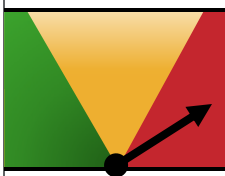
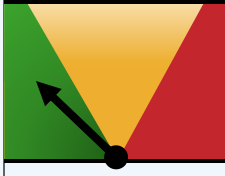
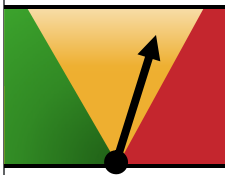
September 23, 2013



A Glance At The Dashboard

Panel	Alert	Observation	Recommendations
1) Principal Financial Trends		<p>Claims have been trending lower than expectations for the last two years. This is consistent with the results of the most recent financial projections.</p> <p>Note that in the last 6 months the trends are starting to creep back up and follow a moderate slope.</p> <p>The occasional “blips” in the monthly cost figures are timing of payments related and not material, i.e. Nov. 2012.</p>	<p>More review needs to be done to determine what portion of the lower medical trend has been influenced by short-term economic forces, ACA or successful use of medical management and wellness initiatives.</p> <p>Monitor impact of short plan year and new 2014 plans.</p>
2) Paid Claims Summary		<p>On a PMPM basis, claims trended at only 1.7%. As discussed in (1) above, this is lower than expected. Note that member cost sharing has surprisingly decreased 1.2%, even though more people moved to the Basic Plan. Plan selection has likely caused utilization patterns to change, shifting the member cost relationship .</p> <p>Hospital claims have decreased while professional claims have increased slightly.</p>	<p>Research the anomaly resulting from the shift to the Basic Plan in conjunction with the drop in member cost share.</p> <p>Analyze utilization by plan option after the value-based plan goes into effect to see if engagement in medical management and wellness initiatives impacts health status.</p>
3) Key Performance Metrics		<p>Medical and Preventive Office visit utilization rates were 18.3% and 9.3% above industry norms, respectively. Admissions per 1,000 were above the industry norms of 6.1%.</p> <p>The combination of the above would either indicate a much sicker population or ineffectiveness of the visits.</p>	<p>Evaluate the effectiveness of better health management when initiated through the PCP.</p> <p>Develop a methodology for evaluating the success of Tier 1 providers that incorporates cost and quality metrics.</p>
4) Major Conditions		<p>Costs have increased for nearly every disease group. Note that diabetes and hypertension are components in nearly half the claims.</p> <p>Chronic conditions are both preventable and manageable with appropriate medical attention and member education. Preventive screening, medication adherence, and treatment compliance should improve with the value based plan design and the health activity requirements.</p>	<p>Monitor and analyze re-admission rates for key conditions; as well as hospital admissions and ER visits.</p> <p>Determine if appropriate treatment setting protocols are consistent by plan.</p>

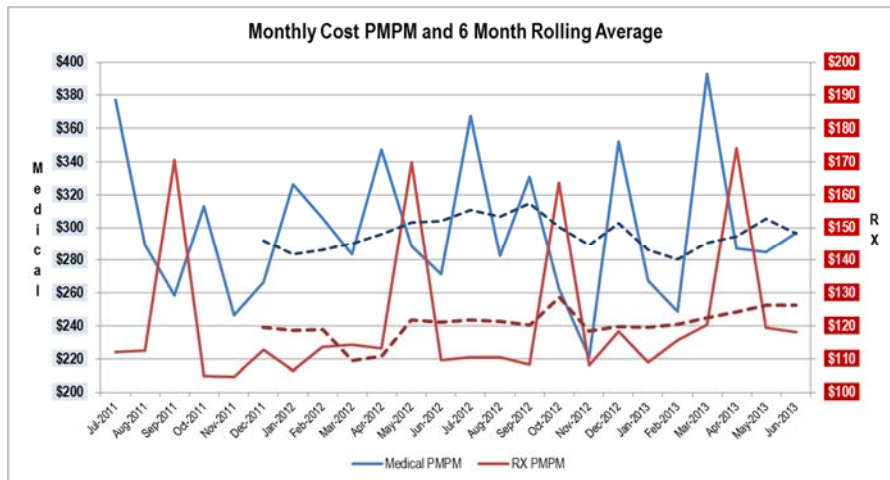
A Glance At The Dashboard

Panel	Alert	Observation	Recommendations
5) High Risk High Cost		The prevalence of high-cost members with asthma and COPD has increased significantly over the prior period and is higher than typical plan levels. Asthma is especially manageable, thus high asthma claims should be avoidable with proper use of medication.	Analyze the highest-cost diagnosed cases with asthma and COPD to assess compliance with medication and treatment.
6) Clinical Quality Performance		The best way to control chronic condition claims will be through member awareness (disease management), treatment compliance and medication adherence. Compliance rates for diabetes, CAD and asthma have decreased from the prior period. Preventive screening rates are below desired levels and the value-based plan incentives should improve these rates.	Establish medication compliance targets for key chronic conditions and monitor medication adherence. Work with vendors to measure consistently.
7) Rx Summary		The generic dispensing rate increased over the prior period and is above typical plan levels. This has helped keep overall trends at 2.2%. Due to the above, the member cost sharing % has dropped, moving closer to the industry norms. A drop in cost share leverages the plan cost trends to 4.9%. Although both the plan and member save from generic substitution, the financial effect on members appears to be greater.	The continued upswing in generic dispensing rates based on brands losing patent protection is likely to begin leveling off. In addition, the plan should monitor specialty drug cost increases as utilization surges.
8) Rx Top 10		Opiate Agonists appears in the top 10 therapeutic drug classes (ranked 9 th by total amount paid). This class is predominantly generic and the SHPNC data shows 95% generic by count which is consistent with what is expected with this class.	Research Opiate drug utilization to determine if there are indications of utilization for non-medical purposes. Take steps with the support of the PBM to reduce non-medical use of these drugs.

Healthcare Dashboard

Current Period: July 2012 – June 2013

1 Principal Financial Trends – Claims Cost ALL Members



2 Paid Claims Summary – ALL Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$ 775,422,905	\$ 97	23%	\$ 791,542,149	\$ 99	24%	-2.3%
Inpatient Hospital	\$ 596,669,640	\$ 75	18%	\$ 603,474,466	\$ 76	18%	-1.4%
Office	\$ 664,417,000	\$ 83	20%	\$ 649,662,104	\$ 82	19%	2.0%
Ambulatory Surgical Center	\$ 51,049,333	\$ 6	2%	\$ 48,090,131	\$ 6	1%	5.8%
Home	\$ 56,287,712	\$ 7	2%	\$ 55,482,551	\$ 7	2%	1.2%
All Others	\$ 247,707,118	\$ 31	7%	\$ 224,507,133	\$ 28	7%	10.0%
Total Medical	\$ 2,391,553,707	\$ 299	71%	\$ 2,372,758,534	\$ 298	71%	0.5%
Total Rx	\$ 982,867,757	\$ 123	29%	\$ 959,236,978	\$ 120	29%	2.2%
Total Paid	\$ 3,374,421,464	\$ 423	100%	\$ 3,331,995,512	\$ 418	100%	1.0%
Member Paid	\$ 785,721,965	\$ 98	23%	\$ 792,601,970	\$ 100	24%	-1.2%
Plan Paid	\$ 2,588,699,499	\$ 324	77%	\$ 2,539,393,542	\$ 319	76%	1.7%

3 Key Healthcare Performance Metrics – ALL Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	665,442	663,539	0.3%	N/A	N/A
High Cost Claimants	16,078	15,715	2.3%	N/A	N/A
High Cost Claimants Total Paid	\$987,660,418	\$979,866,934	0.8%	N/A	N/A
Inpatient Days Per Thousand	385	379	1.6%	365	5.6%
Average Inpatient Day Cost	\$3,144	\$3,143	0.0%	\$3,090	1.7%
Total Admissions Per 1000	81	81	0.3%	76	6.1%
Average Cost Per Admission	\$14,945	\$14,736	1.4%	\$14,748	1.3%
ER Visits Per 1000	262	258	1.7%	262	0.1%
Office Visits For Medical Care Per 1000	4,157	4,196	-0.9%	3,515	18.3%
Office Visits for Preventive Care Per 1000	438	437	0.2%	401	9.3%
Rx Scripts Per 1000	17,379	17,394	-0.1%	16-18,000	0%
Average Cost Per Script	\$86	\$83	3.0%		

* Verisk BOB Norms; Segal Rx Norms

4 Major Conditions – Prevalence and Cost ALL Members with Conditions

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in Paid
	Members	Paid	Members	Paid		
1. Diabetes	97,286	\$852,274,185	90,623	\$817,973,976	7.4%	4.2%
2. Coronary Artery Disease (CAD)	47,739	\$621,594,759	41,788	\$562,845,424	14.2%	10.4%
3. Asthma	54,790	\$351,644,302	41,759	\$278,575,371	31.2%	26.2%
4. Chronic Obstructive Pulmonary Disease (COPD)	29,614	\$368,088,715	23,980	\$311,502,383	23.5%	18.2%
5. Hypertension	255,159	\$1,839,628,231	232,540	\$1,680,613,988	9.7%	9.5%
6. Breast Cancer	13,692	\$187,748,013	12,075	\$172,891,824	13.4%	8.6%
7. Colon Cancer	2,557	\$58,085,496	2,175	\$53,037,714	17.6%	9.5%
8. Prostate Cancer	8,073	\$89,459,262	7,482	\$83,252,248	7.9%	7.5%
9. At Risk Birth	1,360	\$6,033,820	1,477	\$6,760,260	-7.9%	-10.7%
10. Normal Delivery	8,560	\$75,467,324	8,485	\$78,325,672	0.9%	-3.6%

Members with co-morbidities and their corresponding claims are combined in each applicable category.

Healthcare Dashboard

Current Period: July 2012 – June 2013

5 High Risk High Cost Analysis – ALL Members High Cost By Condition

Chronic Condition for High Cost Claimants*	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	4,406	\$68,642	4,371	\$71,359	0.8%	-3.8%
2. Coronary Artery Disease (CAD)	3,048	\$70,314	2,917	\$72,393	4.5%	-2.9%
3. Asthma	2,302	\$57,959	1,927	\$60,745	19.5%	-4.6%
4. Chronic Obstructive Pulmonary Disease (COPD)	1,723	\$74,922	1,513	\$75,509	13.9%	-0.8%
5. Hypertension	9,870	\$64,245	9,491	\$65,005	4.0%	-1.2%
6. Breast Cancer	1,379	\$76,680	1,341	\$77,068	2.8%	-0.5%
7. Colon Cancer	396	\$100,003	364	\$101,095	8.8%	-1.1%
8. Prostate Cancer	444	\$61,212	440	\$63,031	0.9%	-2.9%
9. Birth	530	\$52,262	493	\$60,280	7.5%	-13.3%

6 Clinical Quality Performance – ALL Members

Disease Condition	Clinical Compliance Metrics	Population	Individuals		NCOA Quality Compass National Average*
			Compliance Rate Prior Period	Compliance Rate Current Period	
Diabetes	• Patient(s) that had at least 2 hemoglobin A1C tests in last 12 reported months**	97,286	47.22%	46.48%	87.30%
	• Patient(s) that had an annual screening test for diabetic nephropathy	97,286	33.84%	32.22%	77.90%
	• Patient(s) that had an annual screening test for diabetic retinopathy	97,286	92.64%	84.52%	48.40%
Coronary Artery Disease	• Patient(s) currently taking an ACE-inhibitor	47,739	42.86%	42.77%	78.80%
	• Patient(s) currently taking a statin	47,739	76.71%	75.86%	Not Available
Hyperlipidemia	• Patient(s) with a LDL cholesterol test in last 12 reported months	391,602	84.33%	86.00%	83.6%***
	• Patient(s) with a total cholesterol test in last 12 reported months	391,602	83.83%	85.46%	Not Available
Preventive Screening	• Cervical cancer	317,515	67.67%	74.72%	74.40%
	• Breast cancer	222,054	67.49%	75.77%	66.80%
	• Colorectal cancer	281,219	53.87%	65.27%	55.20%
	• Prostate cancer	99,040	23.69%	29.91%	Not Available
COPD	• Patients with spirometry testing in the last 12 months	29,614	42.19%	41.88%	40.40%
Asthma	• Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	54,790	72.54%	67.28%	91.70%

*Source: NCOA – State of Health Care Quality 2012 – Accredited Plans 2011 Commercial PPO Averages

**The NCOA HEDIS measure is based on one A1C test in the last 12 months whereas Segal measures two

***Represents cholesterol management for patients with cardiovascular conditions: LDL cholesterol screening

7 Summary of Prescription Drug Expenses – ALL Members

Category	Current Period	Prior Period	% Change	Norm*
Total Rx Paid Amount	\$982,867,757	\$959,236,978	2.5%	N/A
Prescriptions Written PMPY	17.4	17.4	-0.2%	
Total Rx Paid PMPY	\$1,478	\$1,446	2.2%	
Participant Cost Share	23.51%	25.48%	-7.7%	21% – 23%
Total Rx Plan Paid PMPY	\$1,130	1,077	4.9%	
PBM Generic Dispensing Rate	79%	75%	5.8%	72% – 75%
PBM Mail Order Rx Scripts	3%	3%	-0.6%	10%

* Segal Rx Norms

8 Prescription Drug Cost Management Analysis – ALL Members

Top 10 Rx Therapy Classes	Current Period		
	Total Paid Amount	% Generic by Count	PMPM
ANTIDEPRESSANTS	\$53,917,167	87%	\$6.75
DISEASE-MODIFYING ANTIRHEUMATIC AGENTS	\$51,208,929	21%	\$6.42
ANTINEOPLASTIC AGENTS	\$46,819,546	89%	\$5.87
INSULINS	\$46,325,775	0%	\$5.80
HMG-COA REDUCTASE INHIBITORS	\$44,118,317	82%	\$5.53
PROTON-PUMP INHIBITORS	\$41,547,564	58%	\$5.21
BIOLOGICAL RESPONSE MODIFIERS	\$37,688,066	0%	\$4.72
ANGIOTENSIN II RECEPTOR ANTAGONISTS	\$28,937,579	68%	\$3.63
OPIATE AGONISTS	\$21,870,740	95%	\$2.74
ANTICONVULSANTS, MISCELLANEOUS	\$21,125,554	84%	\$2.65

SPOTLIGHT ON

Asthma

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in Paid
	Members	Paid	Members	Paid		
3. Asthma	54,790	\$351,644,302	41,759	\$278,575,371	31.2%	26.2%

When Segal identifies a member as an asthmatic, the member is classified as an asthmatic in perpetuity (i.e. once an asthmatic, always an asthmatic). We are using three fiscal years in our analysis. In fiscal year 2011 (the first full year we have experience) 27,000+ members had their first asthma diagnosis. In fiscal year 2012, approximately 14,000 members were newly diagnosed. In the current fiscal year, approximately 13,000 members were newly diagnosed.

The precipitous drop from fiscal year 2011 to fiscal year 2012 is in line with expectations. However, the relatively steady incidence of newly diagnosed members from fiscal year 2012 to fiscal year 2013 is a concern. While the total incidence of asthma in the SHPNC population is currently consistent with the national average (approximately eight percent), the steady diagnosis of new patients over the last twenty four months is an indication that the total incidence of asthma in the SHPNC population is at risk of exceeding the norm in the near future.

Disease Condition	Clinical Compliance Metrics	Individuals			NCOA Quality Compass National Average
		Population	Compliance Rate Prior Period	Compliance Rate Current Period	
Asthma	• Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	54,790	72.54%	67.28%	91.70%

While asthma is generally not a preventable condition, it is manageable. Patient medication compliance is well below the norm. Given the trend in asthma incidence within the SHPNC population, it would be prudent to aggressively pursue strategies to increase patient compliance in an effort to avoid significant unnecessary future claims costs.

SPOTLIGHT ON

Asthma

CURRENT PERIOD						
Claim Range	Total Paid Claims	Total Paid Asthma Claims	Members	ER Visits Per 1,000	Pediatric Incidence	Pediatric % of Total Cost
\$0 - \$5K	\$ 50,293,939	\$ 5,886,450	41,115	244	24.4%	17.2%
\$5K - \$25K	\$ 120,385,148	\$ 16,978,227	11,373	998	6.9%	6.6%
\$25K - \$50K	\$ 73,197,431	\$ 10,193,864	1,495	1,769	3.0%	2.9%
\$50K - \$100K	\$ 58,990,867	\$ 5,172,988	601	2,503	1.7%	1.6%
\$100K - \$200K	\$ 32,843,734	\$ 1,779,807	168	2,996	1.6%	1.7%
\$200K - \$500K	\$ 14,806,741	\$ 422,216	37	3,582	5.5%	6.6%
\$500K+	\$ 1,126,443	\$ 120	1	-	50.0%	49.2%
TOTALS	\$ 351,644,302	\$ 40,433,670	54,790	518	19.4%	5.9%

Members with an asthma diagnosis use the emergency room at double the rate of the total covered population. Those with total claims less than \$5,000 use the emergency room at a rate similar to the overall population. An education campaign, on appropriate use of the emergency room, directed specifically at the asthma population could yield significant savings.

Asthma members with claims over \$5K (13,675 members) account for 9% of total paid claims.

11.5% of the total paid claims of this group contained an asthma diagnosis code which is not surprising given that asthma is often associated with various comorbidities.

Pediatric claimants make up 19.4% of the plan's asthma population. However, only 5.9% of the total claim dollars are from pediatric claimants so they are not significant drivers of the cost of this population. This is likely a result of the lower number of dependents enrolled in the program.

Appendix

- [Dashboard Overview](#)
- [Objective of Dashboard Panels](#)
- [Ongoing Use of Dashboard](#)
- [Dashboard - Active Members](#)
- [Dashboard - Non-Medicare Retirees](#)
- [Dashboard - Medicare Retirees](#)

Dashboard Overview

The purpose of this monthly dashboard is to:

- Highlight key metrics for the Board to monitor progress against strategic opportunities.
- Provide a mechanism to track:
 - **Claims and trends:** determine cost trend drivers plus analyze data on effective alternatives to manage those trends.
 - **Utilization metrics vs. benchmark:** compare the plan's utilization to benchmarks and desired targets.
 - **Population health status:** assess disease burden and recommend solutions to lessen future trend increases; Uncover opportunities for the plan to better control plan cost and improve the health of the covered population.

Methodology/Definitions

- Source of data includes eligibility as well as inpatient, outpatient and professional claims from SHPNC's SAS data warehouse. Pharmacy claims data was captured from Express Scripts.
- Generally, financial metrics are reported on a total cost basis (i.e., total cost includes plan paid and member cost sharing). This allows for tracking of population health status for improvement over time.
- Claims are reported on a paid basis for the periods July 1, 2012 – June 30, 2013 (current period) and July 1, 2011 – June 30, 2012 (prior period).

Norms / Benchmarks

- Where benchmarks are shown, we are using the book-of-business trends reported to us by our data warehouse partner, Verisk Health. Their database represents in excess of 10 million lives across plan types. Benchmark data was adjusted on a regional basis by actives/non-Medicare retirees vs. Medicare retirees.
- We also utilized Segal book of business benchmarks for pharmacy norms.
- In certain instances, we use NCQA HEDIS benchmarks for accredited commercial PPO plans, which are nationally recognized health care data standards.

Objective of Dashboard Panels

1. Principal Financial Trends

Objective: Provide the Board with a visual representation of how claims are trending over the short term.

- Seasonality in claims paid is expected with the highest monthly claims generally occurring in winter; 6-month rolling average is used to smooth the effect of seasonality.
- Monthly claims can fluctuate at the beginning and end of a plan year as members determine if their contribution to the out-of-pocket maximum warrants getting medical treatment in the current year or waiting until the next plan year.

2. Paid Claims Summary

Objective: Provide the Board with a comparative overview of claims based on treatment setting.

Place of Service can be helpful when investigating changes in utilization patterns or when trying to understand the impact of plan design changes. For example, outpatient experience and office visits may increase and inpatient hospital services decrease as participants are encouraged with copays waived under the PCMH outpatient setting.

3. Key Healthcare Performance Metrics

Objective: Provide the Board with some key comparative utilization metrics to track sources of claims increases

This table allows the plan to understand whether changes in cost are driven by price or change in utilization.

4. Major Chronic Conditions—Prevalence and Cost

Objective: Provide the Board metrics to monitor the cost and utilization of chronic conditions.

5. High Risk High Cost Analysis High Cost by Condition

Objective: Provide the Board with key metrics to monitor cost and utilization of high risk and high cost chronic conditions. Target high risk groups for medical management interventions

6. Clinical Quality Performance

Objective: Provide the Board with clinical metrics related to preventive screening, treatment compliance rates, and quality of care performance measures. This report enables the plan to determine the degree to which participants are receiving adequate care from an NCQA / HEDIS perspective.

7. Summary of Prescription Drug Expenses

Objective: Provide the Board with metrics to evaluate year-over-year growth in pharmacy spend, cost and utilization.

This report enables the plan to determine the degree to which a current drug benefit design is having in terms of cost and utilization. It showcases the degree to which cost-sharing options may be meeting expected targets or when cost sharing may be prohibitive.

8. Prescription Drug Cost Management Analysis

Objective: Provide the Board with a list of the top 10 therapeutic drug classes that are driving pharmacy claim expenses.

It enables the plan to determine what categories of drugs are driving utilization and cost over time. The plan can then determine if previous benefits design changes (i.e., cost sharing) have had their desired effect or if additional benefit changes within the pharmacy benefit plan are required.

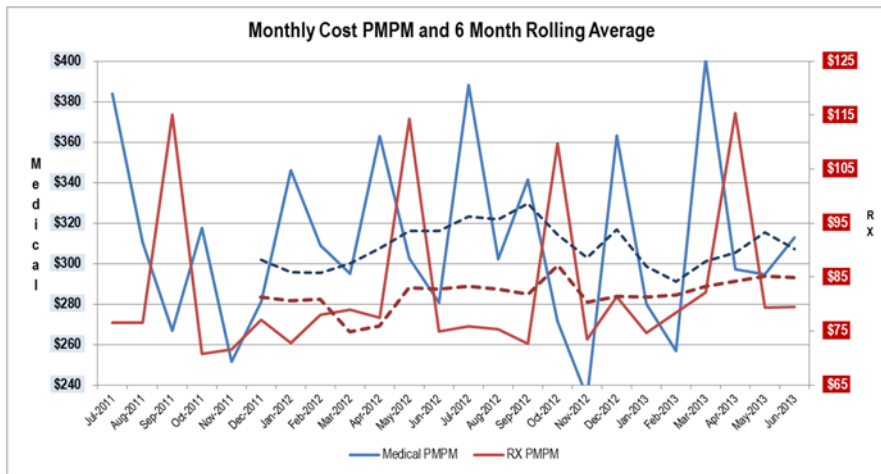
Ongoing Use of the Dashboard

- View the current dashboard as a starting point
- Dashboard metrics can be added to be current with ongoing Board objectives
- Of key value will be to add performance metrics to monitor the progress vendors are making to support the strategic objectives of the SHP
- Provide insights into plan design alternatives that could be used to encourage behavioral change that will lower risk factors
- Monitor the effectiveness of efforts by vendors to support SHP participants in their efforts to improve their person health and lower health risk factors

Healthcare Dashboard

Current Period: July 2012 – June 2013

1 Principal Financial Trends – Claims Cost Active Members



2 Paid Claims Summary – Active Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$ 569,801,292	\$ 100	26%	\$ 585,440,829	\$ 102	26%	-1.7%
Inpatient Hospital	\$ 442,132,094	\$ 78	20%	\$ 454,315,544	\$ 79	20%	-1.8%
Office	\$ 495,050,476	\$ 87	22%	\$ 485,627,128	\$ 85	22%	2.9%
Ambulatory Surgical Center	\$ 36,904,908	\$ 7	2%	\$ 35,009,501	\$ 6	2%	6.4%
Home	\$ 32,706,708	\$ 6	1%	\$ 32,949,077	\$ 6	1%	0.2%
All Others	\$ 185,662,635	\$ 33	8%	\$ 167,743,803	\$ 29	8%	11.7%
Total Medical	\$ 1,762,258,111	\$ 310	79%	\$ 1,761,085,883	\$ 307	79%	1.0%
Total Rx	\$ 470,086,260	\$ 83	21%	\$ 467,172,027	\$ 82	21%	1.6%
Total Paid	\$ 2,232,344,371	\$ 393	100%	\$ 2,228,257,910	\$ 389	100%	1.1%
Member Paid	\$ 494,862,184	\$ 87	22%	\$ 500,237,244	\$ 87	22%	-0.1%
Plan Paid	\$ 1,737,482,187	\$ 306	78%	\$ 1,728,020,666	\$ 302	78%	1.5%

3 Key Healthcare Performance Metrics – Active Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	473,067	477,588	-0.9%	N/A	N/A
High Cost Claimants	12,099	11,756	2.9%	N/A	N/A
High Cost Claimants Total Paid	\$723,330,350	\$717,840,910	0.8%	N/A	N/A
Inpatient Days Per Thousand	222	234	-5.0%	250	-10.9%
Average Inpatient Day Cost	\$3,471	\$3,379	2.7%	\$3,672	-5.5%
Total Admissions Per 1000	54	56	-2.9%	61	-10.6%
Average Cost Per Admission	\$14,274	\$14,204	0.5%	\$15,154	-5.8%
ER Visits Per 1000	199	193	3.2%	197	1.0%
Office Visits For Medical Care Per 1000	3,263	3,200	2.0%	3,080	5.9%
Office Visits for Preventive Care Per 1000	529	521	1.6%	383	38.3%
Rx Scripts Per 1000	11,743	11,855	-0.9%	9,853	0%
Average Cost Per Script	\$85	\$82	3.1%		

* Verisk BOB Norms; Segal Rx Norms

4 Major Conditions – Prevalence and Cost Active Members with Conditions

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in Paid
	Members	Paid	Members	Paid		
1. Diabetes	40,985	\$300,448,933	39,116	\$296,645,836	4.8%	1.3%
2. Coronary Artery Disease (CAD)	11,864	\$153,212,507	10,598	\$147,759,331	11.9%	3.7%
3. Asthma	37,164	\$177,117,935	28,359	\$143,574,329	31.0%	23.4%
4. Chronic Obstructive Pulmonary Disease (COPD)	8,060	\$85,468,667	6,236	\$72,967,757	29.2%	17.1%
5. Hypertension	116,031	\$695,523,957	107,158	\$657,322,748	8.3%	5.8%
6. Breast Cancer	4,577	\$83,303,883	4,201	\$80,716,887	9.0%	3.2%
7. Colon Cancer	749	\$22,936,829	654	\$22,716,538	14.5%	1.0%
8. Prostate Cancer	1,819	\$21,610,223	1,770	\$21,890,148	2.8%	-1.3%
9. At Risk Birth	1,354	6,033,788	1,472	6,758,758	-8.0%	-10.7%
10. Normal Delivery	8,528	75,322,373	8,443	76,444,809	1.0%	-1.5%

Members with co-morbidities and their corresponding claims are combined in each applicable category.

5 High Risk High Cost Analysis – Active Members High Cost By Condition

Chronic Condition for High Cost Claimants*	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	3,069	\$66,299	2,993	\$68,777	2.5%	-3.6%
2. Coronary Artery Disease (CAD)	1,995	\$70,012	1,944	\$71,478	2.6%	-2.1%
3. Asthma	1,749	\$56,918	1,517	\$60,231	15.3%	-5.5%
4. Chronic Obstructive Pulmonary Disease (COPD)	1,104	\$74,375	975	\$74,032	13.2%	0.5%
5. Hypertension	6,966	\$62,734	6,716	\$64,228	3.7%	-2.3%
6. Breast Cancer	969	\$78,939	953	\$78,965	1.7%	0.0%
7. Colon Cancer	258	\$97,708	248	\$102,275	4.0%	-4.5%
8. Prostate Cancer	299	\$63,220	288	\$63,488	3.8%	-0.4%
9. Birth	529	\$52,306	489	\$60,514	8.2%	-13.6%

6 Clinical Quality Performance – Active Members

Disease Condition	Clinical Compliance Metrics	Individuals			NCOA Quality Compass National Average*
		Population	Compliance Rate Prior Period	Compliance Rate Current Period	
Diabetes	• Patient(s) that had at least 2 hemoglobin A1C tests in last 12 reported months**	40,985	62.74%	60.53%	87.30%
	• Patient(s) that had an annual screening test for diabetic nephropathy	40,985	42.57%	39.78%	77.90%
	• Patient(s) that had an annual screening test for diabetic retinopathy	40,985	95.54%	84.90%	48.40%
Coronary Artery Disease	• Patient(s) currently taking an ACE-inhibitor	11,864	40.47%	40.01%	78.80%
	• Patient(s) currently taking a statin	11,864	68.55%	65.69%	Not Available
Hyperlipidemia	• Patient(s) with a LDL cholesterol test in last 12 reported months	239,153	94.68%	95.57%	83.6%***
	• Patient(s) with a total cholesterol test in last 12 reported months	239,153	94.68%	95.60%	Not Available
Preventive Screening	• Cervical cancer	245,769	69.59%	75.41%	74.40%
	• Breast cancer	152,761	63.65%	70.48%	66.80%
	• Colorectal cancer	141,011	47.71%	56.63%	55.20%
	• Prostate cancer	51,232	23.85%	29.11%	Not Available
COPD	• Patients with spirometry testing in the last 12 months	8,060	43.47%	40.05%	40.40%
Asthma	• Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	37,164	66.71%	61.81%	91.70%

*Source: NCOA – State of Health Care Quality 2012 – Accredited Plans 2011 Commercial PPO Averages

**The NCOA HEDIS measure is based on one A1C test in the last 12 months whereas Segal measures two

***Represents cholesterol management for patients with cardiovascular conditions: LDL cholesterol screening

7 Summary of Prescription Drug Expenses – Active Members

Category	Current Period	Prior Period	% Change	Norm*
Total Rx Paid Amount	\$470,086,260	\$467,172,027	0.6%	N/A
Prescriptions Written PMPY	11.8	11.9	-1.0%	
Total Rx Paid PMPY	\$994	\$978	1.6%	
Participant Cost Share	23.80%	25.10%	-5.2%	21% – 23%
Total Rx Plan Paid PMPY	\$757	733	3.3%	
PBM Generic Dispensing Rate	80%	76%	5.3%	72% – 75%
PBM Mail Order Rx Scripts	1%	1%	0.0%	10%

* Segal Rx Norms

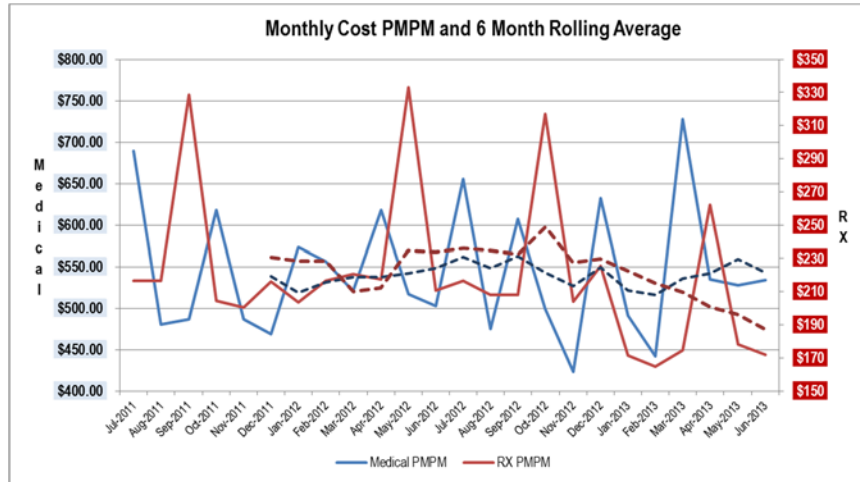
8 Prescription Drug Cost Management Analysis – Active Members

Top 10 Rx Therapy Classes	Current Period		
	Total Paid Amount	% Generic by Count	PMPM
DISEASE-MODIFYING ANTIRHEUMATIC AGENTS	\$30,816,486	14%	\$5.43
ANTIDEPRESSANTS	\$30,370,825	88%	\$5.35
BIOLOGIC RESPONSE MODIFIERS	\$22,216,867	0%	\$3.91
INSULINS	\$19,639,469	0%	\$3.46
PROTON-PUMP INHIBITORS	\$17,703,013	58%	\$3.12
HMG-COA REDUCTASE INHIBITORS	\$16,071,733	80%	\$2.83
ANTINEOPLASTIC AGENTS	\$15,436,924	90%	\$2.72
CONTRACEPTIVES	\$15,051,692	83%	\$2.65
ANTIRETROVIRALS	\$13,166,003	5%	\$2.32
ANGIOTENSIN II RECEPTOR ANTAGONISTS	\$10,810,987	68%	\$1.90

Healthcare Dashboard

Current Period: July 2012 – June 2013

1 Principal Financial Trends – Claims Cost Non-Medicare Retiree Members



2 Paid Claims Summary – Non-Medicare Retiree Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$ 156,302,648	\$ 198	26%	\$ 160,545,753	\$ 204	26%	-3.1%
Inpatient Hospital	\$ 113,568,965	\$ 144	19%	\$ 112,166,964	\$ 143	18%	0.8%
Office	\$ 109,454,881	\$ 139	18%	\$ 107,049,518	\$ 136	18%	1.7%
Ambulatory Surgical Center	\$ 9,644,654	\$ 12	2%	\$ 8,889,634	\$ 11	1%	8.0%
Home	\$ 9,201,483	\$ 12	2%	\$ 8,583,665	\$ 11	1%	6.7%
All Others	\$ 31,128,370	\$ 39	5%	\$ 28,281,137	\$ 36	5%	9.5%
Total Medical	\$ 429,301,001	\$ 544	72%	\$ 425,516,671	\$ 542	70%	0.4%
Total Rx	\$ 164,152,112	\$ 208	28%	\$ 182,039,077	\$ 232	30%	-10.3%
Total Paid	\$ 593,453,112	\$ 752	100%	\$ 607,555,748	\$ 774	100%	-2.8%
Member Paid	\$ 115,085,068	\$ 146	19%	\$ 120,144,305	\$ 153	20%	-4.7%
Plan Paid	\$ 478,368,044	\$ 606	81%	\$ 487,411,443	\$ 621	80%	-2.3%

3 Key Healthcare Performance Metrics – Non-Medicare Retiree Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	65,761	65,440	0.5%	N/A	N/A
High Cost Claimants	3,601	3,563	1.1%	N/A	N/A
High Cost Claimants Total Paid	\$237,217,348	\$234,726,820	1.1%	N/A	N/A
Inpatient Days Per Thousand	365	384	-4.8%	250	46.4%
Average Inpatient Day Cost	\$4,088	\$3,866	5.7%	\$3,672	11.4%
Total Admissions Per 1000	69	70	-2.7%	61	13.4%
Average Cost Per Admission	\$21,787	\$21,060	3.5%	\$15,154	43.8%
ER Visits Per 1000	209	201	4.0%	197	5.9%
Office Visits For Medical Care Per 1000	4,715	4,691	0.5%	3,080	53.1%
Office Visits for Preventive Care Per 1000	507	495	2.3%	383	32.4%
Rx Scripts Per 1000	25,687	29,303	-12.3%	9,853	0%
Average Cost Per Script	\$96	\$95	0.8%		

* Verisk BOB Norms; Segal Rx Norms

4 Major Conditions – Prevalence and Cost Non-Medicare Retiree Members with Conditions

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in Paid
	Members	Paid	Members	Paid		
1. Diabetes	15,282	\$126,752,413	16,576	\$143,566,567	-7.8%	-11.7%
2. Coronary Artery Disease (CAD)	6,048	\$75,551,484	6,691	\$95,015,663	-9.6%	-20.5%
3. Asthma	5,447	\$42,424,878	5,450	\$41,044,713	-0.1%	3.4%
4. Chronic Obstructive Pulmonary Disease (COPD)	3,396	\$42,705,384	3,661	\$46,621,792	-7.2%	-8.4%
5. Hypertension	39,291	\$270,382,828	43,487	\$288,860,321	-9.6%	-6.4%
6. Breast Cancer	2,215	\$32,007,793	2,342	\$39,547,206	-5.4%	-19.1%
7. Colon Cancer	367	\$11,082,227	410	\$13,116,411	-10.5%	-15.5%
8. Prostate Cancer	1,038	\$10,258,128	1,243	\$14,896,209	-16.5%	-31.1%
1. Diabetes	15,282	\$126,752,413	16,576	\$143,566,567	-7.8%	-11.7%
2. Coronary Artery Disease (CAD)	6,048	\$75,551,484	6,691	\$95,015,663	-9.6%	-20.5%

Members with co-morbidities and their corresponding claims are combined in each applicable category.

Healthcare Dashboard

Current Period: July 2012 – June 2013

5 High Risk High Cost Analysis – Non-Medicare Retiree Members High Cost By Condition

Chronic Condition for High Cost Claimants*	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	1,221	\$75,240	1,259	\$79,463	-3.0%	-5.3%
2. Coronary Artery Disease (CAD)	942	\$73,418	896	\$76,347	5.1%	-3.8%
3. Asthma	511	\$62,302	383	\$63,889	33.4%	-2.5%
4. Chronic Obstructive Pulmonary Disease (COPD)	525	\$78,413	463	\$81,273	13.4%	-3.5%
5. Hypertension	2,708	\$68,322	2,606	\$67,709	3.9%	0.9%
6. Breast Cancer	389	\$72,968	371	\$73,866	4.9%	-1.2%
7. Colon Cancer	124	\$112,362	107	\$103,189	15.9%	8.9%
8. Prostate Cancer	131	\$59,134	148	\$62,859	-11.5%	-5.9%

6 Clinical Quality Performance – Non-Medicare Retiree Members

Disease Condition	Clinical Compliance Metrics	Population	Individuals		NCOA Quality Compass National Average*
			Compliance Rate Prior Period	Compliance Rate Current Period	
Diabetes	• Patient(s) that had at least 2 hemoglobin A1C tests in last 12 reported months**	15,282	55.43%	61.16%	87.30%
	• Patient(s) that had an annual screening test for diabetic nephropathy	15,282	35.02%	37.53%	77.90%
	• Patient(s) that had an annual screening test for diabetic retinopathy	15,282	80.66%	84.11%	48.40%
Coronary Artery Disease	• Patient(s) currently taking an ACE-inhibitor	6,048	34.49%	42.48%	78.80%
	• Patient(s) currently taking a statin	6,048	61.84%	76.64%	Not Available
Hyperlipidemia	• Patient(s) with a LDL cholesterol test in last 12 reported months	59,225	78.41%	94.01%	83.6%***
	• Patient(s) with a total cholesterol test in last 12 reported months	59,225	78.39%	93.99%	Not Available
Preventive Screening	• Cervical cancer	41,140	69.05%	77.96%	74.40%
	• Breast cancer	38,774	82.38%	90.52%	66.80%
	• Colorectal cancer	57,427	59.50%	72.35%	55.20%
	• Prostate cancer	19,181	32.81%	40.51%	Not Available
COPD	• Patients with spirometry testing in the last 12 months	3,396	33.16%	44.20%	40.40%
Asthma	• Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	5,447	60.39%	74.68%	91.70%

*Source: NCOA – State of Health Care Quality 2012 – Accredited Plans 2011 Commercial PPO Averages

**The NCOA HEDIS measure is based on one A1C test in the last 12 months whereas Segal measures two

***Represents cholesterol management for patients with cardiovascular conditions: LDL cholesterol screening

7 Summary of Prescription Drug Expenses – Non-Medicare Retiree Members

Category	Current Period	Prior Period	% Change	Norm*
Total Rx Paid Amount	\$164,152,112	\$182,039,077	-9.8%	N/A
Prescriptions Written PMPY	26.1	29.4	-11.2%	
Total Rx Paid PMPY	\$2,496	\$2,782	-10.3%	
Participant Cost Share	22.10%	23.00%	-3.9%	21% – 23%
Total Rx Plan Paid PMPY	\$1,945	2,142	-9.2%	
PBM Generic Dispensing Rate	77%	73%	5.5%	72% – 75%
PBM Mail Order Rx Scripts	5%	5%	0.0%	10%

* Segal Rx Norms

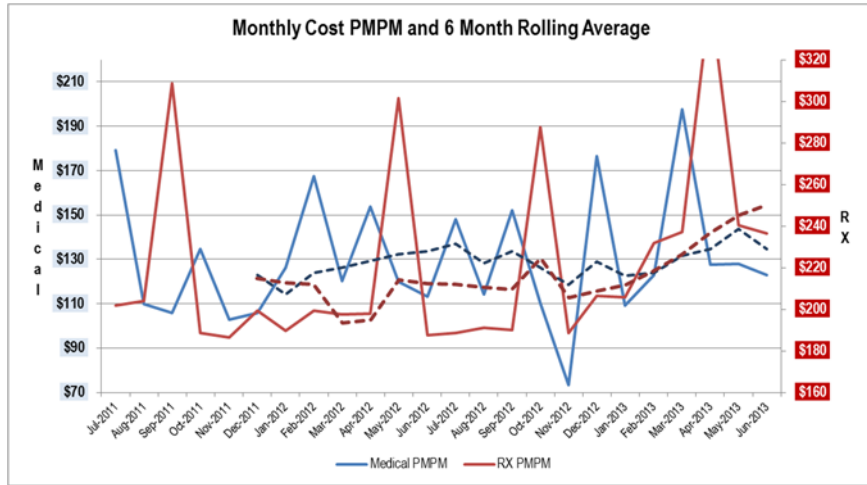
8 Prescription Drug Cost Management Analysis – Non-Medicare Retiree Members

Top 10 Rx Therapy Classes	Current Period		
	Total Paid Amount	% Generic by Count	PMPM
ANTIDEPRESSANTS	\$9,676,310	84%	\$12.29
DISEASE-MODIFYING ANTIRHEUMATIC AGENTS	\$8,446,447	0%	\$10.73
ANTINEOPLASTIC AGENTS	\$8,313,093	79%	\$10.56
INSULINS	\$8,176,640	89%	\$10.39
HMG-COA REDUCTASE INHIBITORS	\$8,046,565	25%	\$10.22
PROTON-PUMP INHIBITORS	\$7,807,732	0%	\$9.92
BIOLOGIC RESPONSE MODIFIERS	\$7,608,661	53%	\$9.66
ANGIOTENSIN II RECEPTOR ANTAGONISTS	\$5,152,607	93%	\$6.54
OPIATE AGONISTS	\$4,819,722	66%	\$6.12
ANTICONSULTANTS, MISCELLANEOUS	\$3,931,995	82%	\$4.99

Healthcare Dashboard

Current Period: July 2012 – June 2013

1 Principal Financial Trends – Claims Cost Medicare Retiree Members



2 Paid Claims Summary – Medicare Retiree Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$ 49,318,966	\$ 33	9%	\$ 45,555,568	\$ 32	9%	3.3%
Inpatient Hospital	\$ 40,968,582	\$ 27	7%	\$ 36,991,958	\$ 26	7%	5.7%
Office	\$ 59,911,643	\$ 40	11%	\$ 56,985,458	\$ 39	11%	0.3%
Ambulatory Surgical Center	\$ 4,499,770	\$ 3	1%	\$ 4,190,996	\$ 3	1%	2.5%
Home	\$ 14,379,521	\$ 9	3%	\$ 13,949,808	\$ 10	3%	-1.6%
All Others	\$ 30,916,113	\$ 20	6%	\$ 28,482,193	\$ 20	6%	3.6%
Total Medical	\$ 199,994,595	\$ 132	36%	\$ 186,155,981	\$ 129	38%	2.5%
Total Rx	\$ 348,629,385	\$ 230	64%	\$ 310,025,874	\$ 214	62%	7.3%
Total Paid	\$ 548,623,980	\$ 362	100%	\$ 496,181,854	\$ 343	100%	5.5%
Member Paid	\$ 175,774,712	\$ 116	32%	\$ 172,220,420	\$ 119	35%	-2.6%
Plan Paid	\$ 372,849,269	\$ 246	68%	\$ 323,961,434	\$ 224	65%	9.8%

3 Key Healthcare Performance Metrics – Medicare Retiree Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	126,275	120,512	4.8%	N/A	N/A
High Cost Claimants	233	216	7.9%	N/A	N/A
High Cost Claimants Total Paid	\$15,638,427	\$12,943,574	20.8%	N/A	N/A
Inpatient Days Per Thousand	1,006	950	5.9%	1219	-17.5%
Average Inpatient Day Cost	\$2,694	\$2,753	-2.1%	\$1,843	46.2%
Total Admissions Per 1000	189	186	1.4%	171	10.3%
Average Cost Per Admission	\$14,371	\$14,066	2.2%	\$13,161	9.2%
ER Visits Per 1000	526	545	-3.4%	274	91.9%
Office Visits For Medical Care Per 1000	7,226	7,875	-8.2%	6,163	17.2%
Office Visits for Preventive Care Per 1000	64	77	-15.8%	217	-70.3%
Rx Scripts Per 1000	34,211	32,881	4.0%	25,566	0%
Average Cost Per Script	\$82	\$78	5.4%		

* Verisk BOB Norms; Segal Rx Norms

4 Major Conditions – Prevalence and Cost Medicare Retiree Members with Conditions

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in Paid
	Members	Paid	Members	Paid		
1. Diabetes	41,019	\$425,072,839	36,979	\$392,174,672	10.9%	8.4%
2. Coronary Artery Disease (CAD)	29,827	\$392,830,767	25,936	\$343,670,836	15.0%	14.3%
3. Asthma	12,179	\$132,101,490	9,352	\$102,379,867	30.2%	29.0%
4. Chronic Obstructive Pulmonary Disease (COPD)	18,158	\$239,914,664	15,083	\$203,425,321	20.4%	17.9%
5. Hypertension	99,837	\$873,721,446	89,123	\$772,433,752	12.0%	13.1%
6. Breast Cancer	6,900	\$72,436,337	5,868	\$60,815,603	17.6%	19.1%
7. Colon Cancer	1,441	\$24,066,440	1,206	\$20,331,578	19.5%	18.4%
8. Prostate Cancer	5,216	\$57,590,911	4,691	\$49,799,181	11.2%	15.6%
1. Diabetes	41,019	\$425,072,839	36,979	\$392,174,672	10.9%	8.4%
2. Coronary Artery Disease (CAD)	29,827	\$392,830,767	25,936	\$343,670,836	15.0%	14.3%

Members with co-morbidities and their corresponding claims are combined in each applicable category.

Healthcare Dashboard

Current Period: July 2012 – June 2013

5 High Risk High Cost Analysis – Medicare Retiree Members High Cost By Condition

Chronic Condition for High Cost Claimants*	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	116	\$61,196	119	\$50,573	-2.5%	21.0%
2. Coronary Artery Disease (CAD)	111	\$49,418	77	\$49,467	44.2%	-0.1%
3. Asthma	42	\$48,479	27	\$45,072	55.6%	7.6%
4. Chronic Obstructive Pulmonary Disease (COPD)	94	\$61,856	75	\$59,119	25.3%	4.6%
5. Hypertension	196	\$61,647	169	\$54,216	16.0%	13.7%
6. Breast Cancer	21	\$41,198	17	\$40,630	23.5%	1.4%
7. Colon Cancer	14	\$32,836	9	\$43,672	55.6%	-24.8%
8. Prostate Cancer	14	\$37,777	4	\$36,514	250.0%	3.5%

6 Clinical Quality Performance – Medicare Retiree Members

Disease Condition	Clinical Compliance Metrics	Population	Individuals		NCOA Quality Compass National Average*
			Compliance Rate Prior Period	Compliance Rate Current Period	
Diabetes	• Patient(s) that had at least 2 hemoglobin A1C tests in last 12 reported months**	41,019	24.51%	26.98%	87.30%
	• Patient(s) that had an annual screening test for diabetic nephropathy	41,019	22.20%	22.70%	77.90%
	• Patient(s) that had an annual screening test for diabetic retinopathy	41,019	89.81%	84.28%	48.40%
Coronary Artery Disease	• Patient(s) currently taking an ACE-inhibitor	29,827	43.62%	43.93%	78.80%
	• Patient(s) currently taking a statin	29,827	79.63%	79.74%	Not Available
Hyperlipidemia	• Patient(s) with a LDL cholesterol test in last 12 reported months	93,224	48.01%	56.39%	83.6%***
	• Patient(s) with a total cholesterol test in last 12 reported months	93,224	45.71%	54.05%	Not Available
Preventive Screening	• Cervical cancer	30,606	49.08%	64.87%	74.40%
	• Breast cancer	30,519	67.77%	83.50%	66.80%
	• Colorectal cancer	82,781	60.97%	75.07%	55.20%
	• Prostate cancer	28,627	16.70%	24.25%	Not Available
COPD	• Patients with spirometry testing in the last 12 months	18,158	41.05%	42.26%	40.40%
Asthma	• Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	12,179	86.42%	80.68%	91.70%

*Source: NCOA – State of Health Care Quality 2012 – Accredited Plans 2011 Commercial PPO Averages

**The NCOA HEDIS measure is based on one A1C test in the last 12 months whereas Segal measures two

***Represents cholesterol management for patients with cardiovascular conditions: LDL cholesterol screening

7 Summary of Prescription Drug Expenses – Medicare Retiree Members

Category	Current Period	Prior Period	% Change	Norm*
Total Rx Paid Amount	\$348,629,385	\$310,025,874	12.5%	N/A
Prescriptions Written PMPY	33.8	32.8	3.0%	
Total Rx Paid PMPY	\$2,761	\$2,573	7.3%	
Participant Cost Share	23.78%	27.50%	-13.5%	21% – 23%
Total Rx Plan Paid PMPY	\$2,104	1,865	12.8%	
PBM Generic Dispensing Rate	79%	74%	6.8%	72% – 75%
PBM Mail Order Rx Scripts	5%	5%	0.0%	10%

* Segal Rx Norms

8 Prescription Drug Cost Management Analysis – Medicare Retiree Members

Top 10 Rx Therapy Classes	Current Period		
	Total Paid Amount	% Generic by Count	PMPM
ANTINEOPLASTIC AGENTS	\$23,205,981	88.9%	\$15.29
HMG-COA REDUCTASE INHIBITORS	\$19,733,490	83.8%	\$13.00
INSULINS	\$18,239,859	0.0%	\$12.02
PROTON-PUMP INHIBITORS	\$16,235,891	59.6%	\$10.70
ANTIDEPRESSANTS	\$13,870,033	87.5%	\$9.14
ANGIOTENSIN II RECEPTOR ANTAGONISTS	\$13,306,870	68.7%	\$8.77
DISEASE-MODIFYING ANTIRHEUMATIC AGENTS	\$12,345,878	35.7%	\$8.13
DIPEPTIDYL PEPTIDASE-4(DPP-4) INHIBITORS	\$8,317,168	0.0%	\$5.48
OPIATE AGONISTS	\$7,933,452	95.2%	\$5.23
BIOLOGIC RESPONSE MODIFIERS	\$7,663,467	0.0%	\$5.05