

Health and Welfare

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Ben Eloy - H&W Committee Chair

Philosophy

An all inclusive group approach where all our members have access to quality healthcare.

We pay for our premiums as a group as part of our 66% share of the revenue.

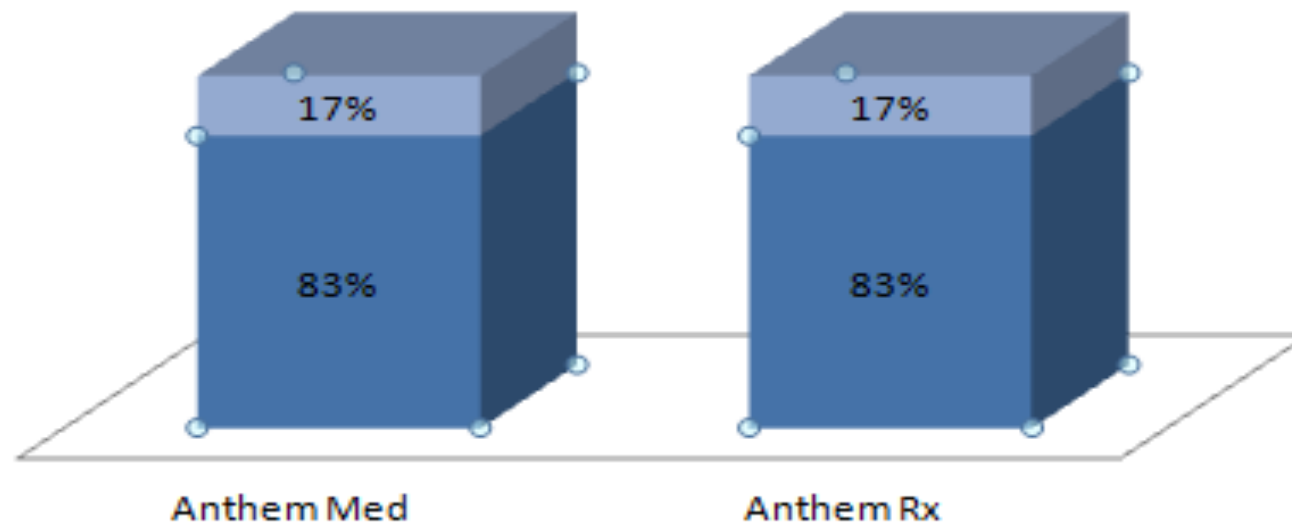
16/84 concept

Usage and projected usage of the plan determines our plan premiums.

Usage Vs. Premiums

Anthem Ideal

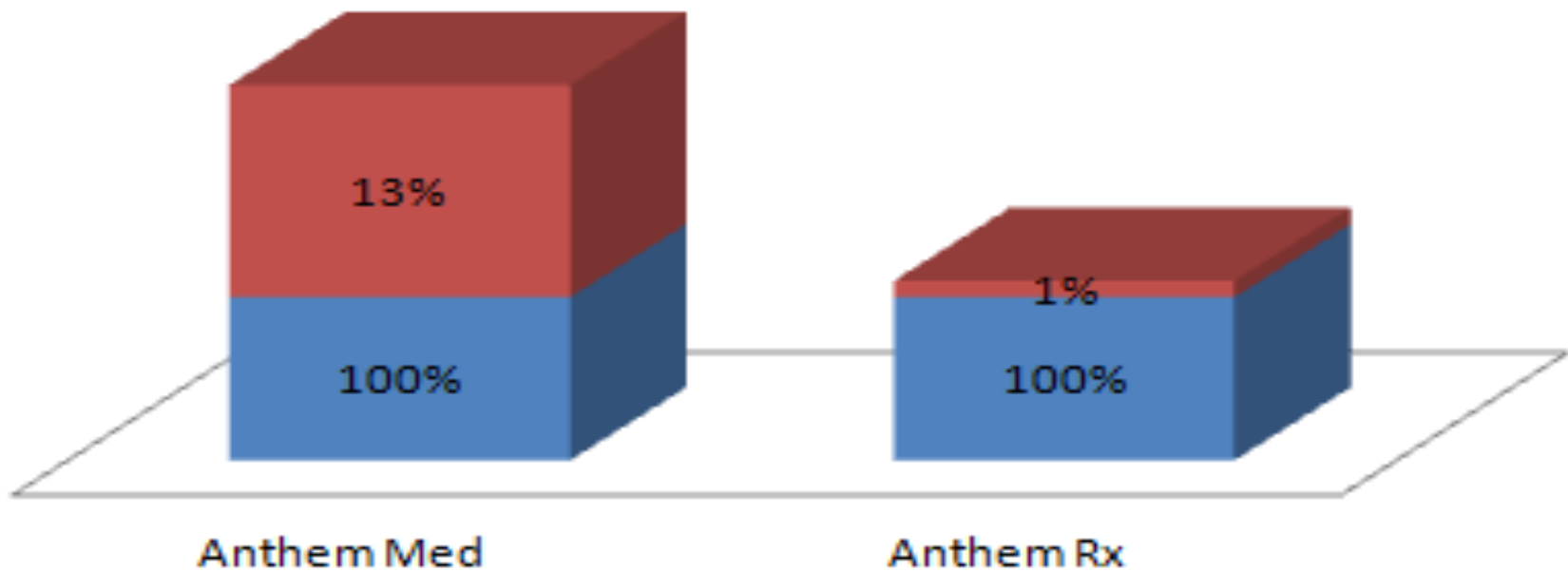
■ Usage Ideal ■ Administrative



Curent Medical

Usage over Premium

■ Premium ■ Usage above premium



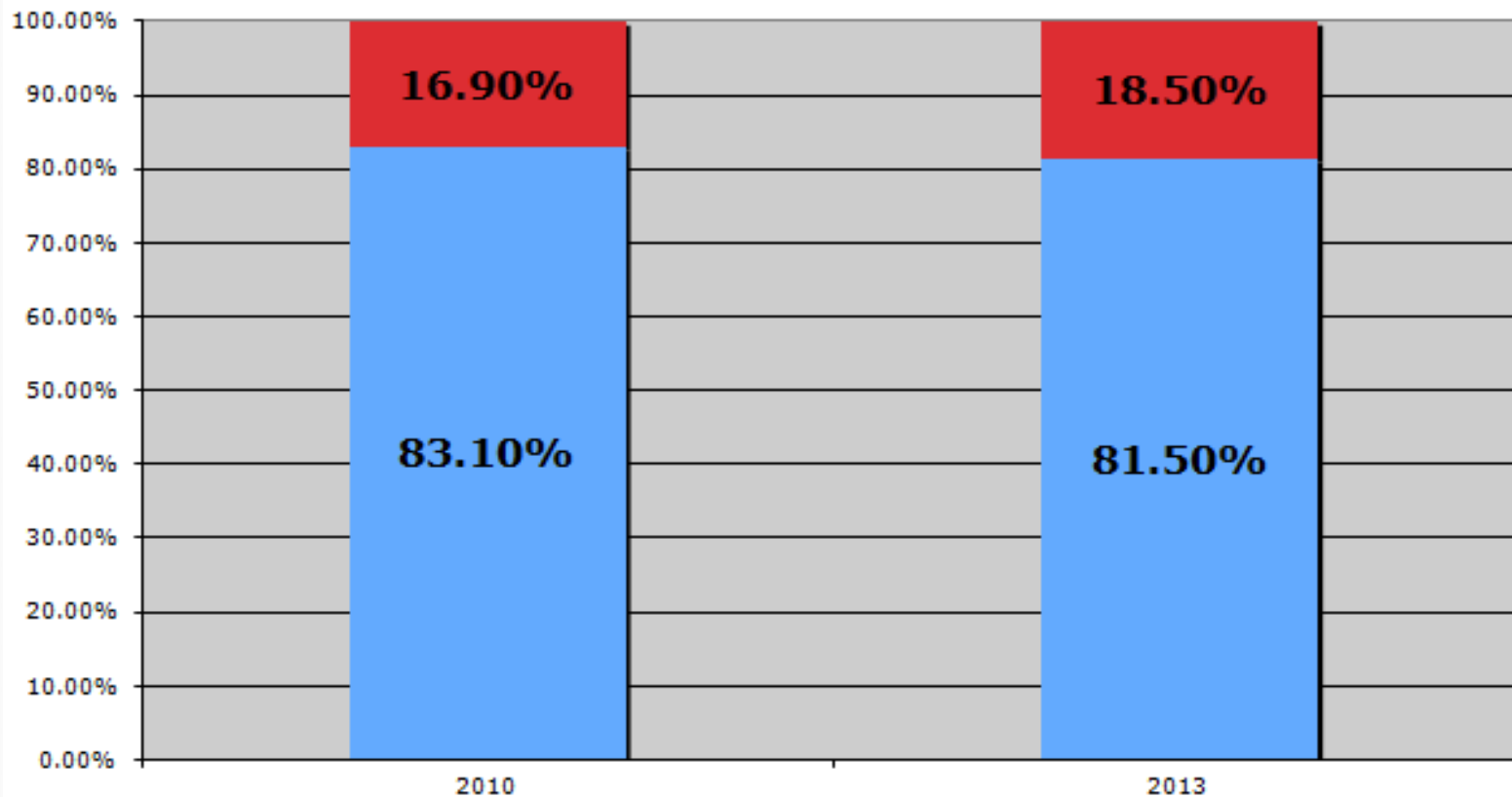
We used more than we have paid in premium

Revenue Concern

- In the past, increasing revenues have been able to cover the health care increases.
- Currently revenues are flat and/or decreasing with the Fair Share.
- Creates a situation where benefit costs will encroach on salaries.

Salary Encroachment

Health and Salary as % of Total Compensation



Work Already Done

- Received quotes from Trusts such as CVT and CalPERS.
- Solicited quotes from other insurance carriers 2 years ago, can't compete with current situation.
- Anthem is bargaining for lower increase in premium, and organizing possible plan adjustments with premium adjustments.

CVT

- Their best plans have:
 - Deductables
 - Co-insurance
 - Co-pays
 - Decreased network
- Their Premiums
 - are 12% higher as of 2012 quotes for Anthem and Kaiser.

CalPERS

- Their best plans have:
 - Deductables
 - Co-insurance
 - Co-pays
- Multiple plans:
 - Most similar 50% increase.
 - Major Decrease in Network access 10% decrease.

Concerns and/or Questions

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