

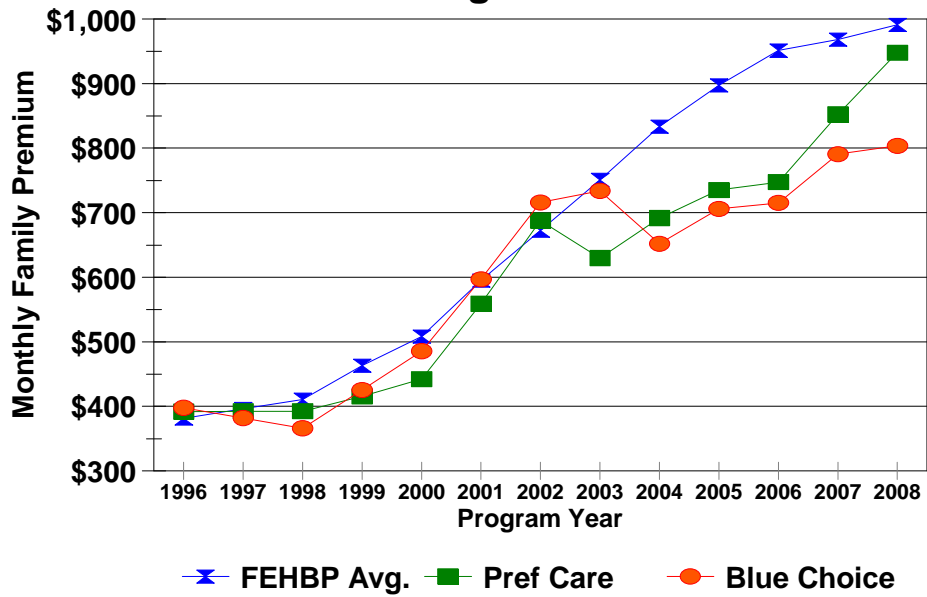
ROCHESTER AREA FEHB PROGRAM PREMIUM HIGHER FOR 2008 CONSUMER-DRIVEN AND HIGH DEDUCTIBLE OPTIONS HAVE LEAST EXPENSIVE PREMIUMS

- Premium increases for the Federal Employees Health Benefit Program (FEHBP)¹ are projected to rise an average of 2.3% in 2008. Locally:
 - Preferred Care FEHBP plan premiums will rise 11.2%; and
 - Blue Choice FEHBP plan premiums will rise 1.6%.
- The percent change in family premiums is lower than in the previous year for both local insurers.
- Premiums for local insurers approximate the national average.
 - Preferred Care's premium is 95.6% of the national average premium.
 - Blue Choice's premium is 81.1% of the national average premium.
 - Through the formula which determines government contribution to health insurance premiums for federal workers, Rochester area workers covered by Preferred Care would pay an average of \$5 above the national average in employee share of premiums.
 - In contrast, Rochester area workers covered by Blue Choice would save an average of \$32 per month in employee share of premiums compared to the national average.
 - Blue Choice is the 5th least expensive and Preferred Care the 8th least expensive of 23 participating NYS plans. Four of the less expensive plans are "Consumer Driven" or "High Deductible" plans.
- Of 268 HMO and POS plans offered nationally, only 27 are less expensive than Blue Choice. Of these, however, most have substantially higher deductible and copay levels.
- Nationally, approximately 87% of "Consumer Driven Health Plans" or "High Deductible Health Plans,"² a relatively new option under FEHBP in recent years, were priced less than Blue Choice and Preferred Care.
 - These plans are not yet rated on consumer satisfaction.
- The local plans score at above average on all five levels of satisfaction.

¹ Although commercial packages tend to vary nationwide, the FEHBP requires a standardized set of benefits. This permits comparisons among plans within an area and across the country. Comparisons among national plans and local plans on a yearly basis, however, should consider differences in copay levels. Premiums quoted should not be compared to other local rates, however, as the benefit structure of the federal program differs. For example, the federal program mandates parity of benefits between mental health and medical care services (in terms of co-pays, number of days of service covered, and maximum benefit). Many areas around the country do not require such a benefit, although New York does as of January 1, 2007, with the passage of Timothy's Law (Chapter 748 of the Laws of 2006). Also, plans must submit bids in June for the following year, which are influenced by previous year rates. Paperwork requirements of the federal program tend to raise costs for insurers. Because of the various federal requirements, many insurance plans nationwide no longer participate in FEHBP.

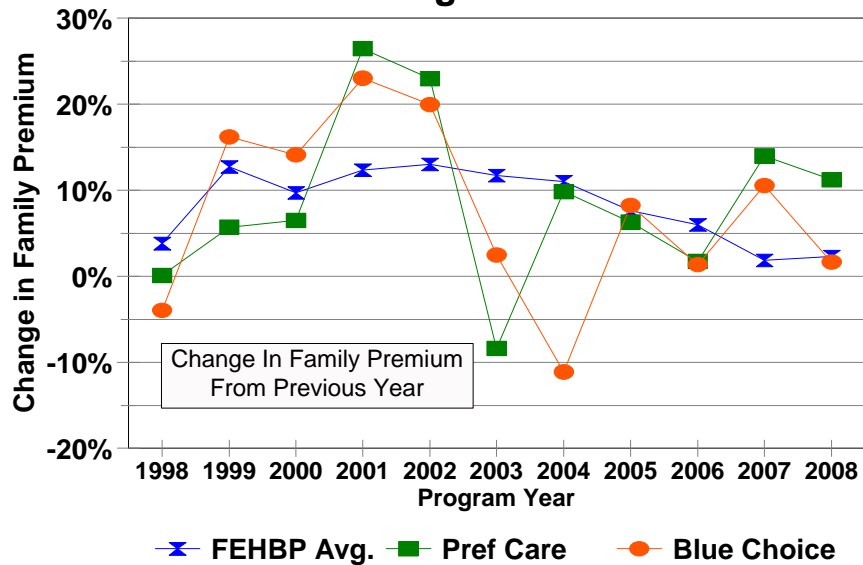
² Consumer Driven Health Plans tend to provide more flexibility and discretion in spending health care dollars, but they assign higher annual deductibles and annual out-of-pocket limits than other insurance plans.

FEHBP Premium Rates National Average and Local Insurers



FEHBP = Federal Employees Health Benefit Program

FEHBP Premium Increases National Average and Local Insurers



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COMPARATIVE FEDERAL EMPLOYEE HEALTH BENEFIT PLAN PREMIUMS, 2008						
Plan	Type ³	Coverage Area	Total Premium ⁴	Employee Contribution	Government Contribution ⁵	% Change ⁶
BCBS – Standard Option	FFS	National	\$1027.95	\$314.47	\$713.48	+4%
BCBS – Basic Option	FFS	National	\$794.43	\$198.61	\$595.82	+3%
Aetna Health Plan – Consumer Driven Plan	CDHP	NYC Area/ Rochester/Syracuse/Albany	\$755.00	\$188.75	\$566.25	+15.4%
Aetna HealthFund – High Deductible Health Plan	HDHP	NYC Area/ Rochester/Syracuse/Albany	\$586.89	\$146.72	\$40.17	-18.5%
Aetna Open Access – High	HMO	NYC/Upstate NY	\$1157.46	\$443.98	\$713.48	+2.5%
GHI Health Plan – High	POS	All NYS	\$1031.80	\$588.32	\$713.48	+5%
GHI HMO Select – High	HMO	NYC/Westchester	\$1088.69	\$375.21	\$713.48	-15.9%
GHI HMO Select – High	HMO	Capital/Hudson Valley	\$1036.79	\$323.31	\$713.48	-15.5%
Capital District PHP – High	HMO	Capital District	\$1111.70	\$398.22	\$713.48	+6.9%
Independent Health Assoc.	HMO	Western NY	\$1062.34	\$348.86	\$713.48	+17.1%
Preferred Care – High	HMO	Rochester	\$947.70	\$236.92	\$710.78	+11.2%
Blue Choice	HMO	Rochester	\$803.94	\$200.98	\$602.96	+1.6%
NYS Average*	HMO+ POS		\$1047.27	\$349.84	\$697.43	+0.1%
Federal Government Avg.	All	National	\$951.31	237.83	\$713.48	+2.3%

³ FFS = Fee for Service; POS = Point of Service; HMO = Health Maintenance Organization; CDHP = Consumer Driven Health Plan; HDHP = High Deductible Health Plan

⁴ Per month for Family coverage

⁵ The Federal government pays three-quarters of premium, up to maximum of \$713.48.

⁶ Change in total premium from the previous year

*Unweighted average of premiums of POS and HMO plans available in NYS.

FEHBP 2007 PATIENT SURVEY: QUALITY INDICATORS						
	Plan Performance Based on Enrollee Rating					
	Overall Plan Satisfaction	Getting Needed Care	Getting Care Quickly	How Well Doctors Communicate	Customer Service	Claims Processing
Blue Choice	64.4	90.6	90.1	94.8	84.1	90.7
Preferred Care	69.3	89.8	89.3	93.4	85.1	87.2
National Avg. of HMOs/PPOs	63.7	83.9	85.5	92.4	81.5	85.5

Source: "2008 Guide to Federal Employees Health Benefit Plans for Federal Civilian Employees." U.S. Office of Personnel Management, November 2007.