



\*\*\*Proprietary Information - Confidential\*\*\*

**Proposal - Renew with Adjusted Current Benefits  
HORSEHEADS CENTRAL SCHOOL  
Contract Period: July 1, 2011 through June 30, 2012**

**Funding Arrangement:**

**ASC**

| <b>Comprehensive 1</b>                         |             |                            |               |                       |                   |  |
|--|-------------|----------------------------|---------------|-----------------------|-------------------|--|
| <b>Plan</b>                                    | <b>Tier</b> | <b>Projected Contracts</b> | <b>Claims</b> | <b>Administration</b> | <b>Total Rate</b> |  |
| <b>Plan 1: Comprehensive 1</b>                 | Single      | 12                         | \$ 682.76     | \$ 38.00              | \$ 720.76         |  |
|  | Family      | 21                         | 1,761.61      | 38.00                 | 1,799.61          |  |
| <b>Comprehensive 2</b>                         |             |                            |               |                       |                   |  |
| <b>Plan</b>                                    | <b>Tier</b> | <b>Projected Contracts</b> | <b>Claims</b> | <b>Administration</b> | <b>Total Rate</b> |  |
| <b>Plan 2: Comprehensive 2</b>                 | Composite   | 13                         | \$ 1,185.16   | \$ 38.00              | \$ 1,223.16       |  |
| <b>Cross/Wrap</b>                              |             |                            |               |                       |                   |  |
| <b>Plan</b>                                    | <b>Tier</b> | <b>Projected Contracts</b> | <b>Claims</b> | <b>Administration</b> | <b>Total Rate</b> |  |
| <b>Plan 3: Cross/Wrap</b>                      | Single      | 19                         | \$ 176.94     | \$ 38.00              | \$ 214.94         |  |
|  | Family      | 15                         | 391.87        | 38.00                 | 429.87            |  |
| <b>Cross/Wrap/Rx</b>                           |             |                            |               |                       |                   |  |
| <b>Plan</b>                                    | <b>Tier</b> | <b>Projected Contracts</b> | <b>Claims</b> | <b>Administration</b> | <b>Total Rate</b> |  |
| <b>Plan 4: Cross/Wrap/Rx</b>                   | Single      | 64                         | \$ 434.65     | \$ 38.00              | \$ 472.65         |  |
|  | Family      | 50                         | 907.35        | 38.00                 | 945.35            |  |
| <b>Custom 5: Act &amp; Ret</b>                 |             |                            |               |                       |                   |  |
| <b>Plan</b>                                    | <b>Tier</b> | <b>Projected Contracts</b> | <b>Claims</b> | <b>Administration</b> | <b>Total Rate</b> |  |
| <b>Plan 5: Custom Plan Active and Retirees</b> | Single      | 150                        | \$ 554.51     | \$ 38.00              | \$ 592.51         |  |
|  | Family      | 520                        | 1,443.22      | 38.00                 | 1,481.22          |  |

Initial to signify approval of rates for proposal: \_\_\_\_\_



**Proposal - Renew with Adjusted Current Benefits (Continued)**  
**HORSEHEADS CENTRAL SCHOOL**  
**Contract Period: July 1, 2011 through June 30, 2012**

**Funding Arrangement:**

**ASC**

| <b>Custom 6: Retirees U65</b>           |             |                            |               |                       |                   |  |
|---|-------------|----------------------------|---------------|-----------------------|-------------------|--|
| <b>Plan</b>                             | <b>Tier</b> | <b>Projected Contracts</b> | <b>Claims</b> | <b>Administration</b> | <b>Total Rate</b> |  |
| <b>Plan 6: Custom Plan Retirees U65</b> | Composite   | 17                         | \$ 1,023.41   | \$ 38.00              | \$ 1,061.41       |  |
| <b>Custom 7: Retirees O65</b>           |             |                            |               |                       |                   |  |
| <b>Plan</b>                             | <b>Tier</b> | <b>Projected Contracts</b> | <b>Claims</b> | <b>Administration</b> | <b>Total Rate</b> |  |
| <b>Plan 7: Custom Plan Retirees O65</b> | Single      | 63                         | \$ 395.88     | \$ 38.00              | \$ 433.88         |  |
|   | Family      | 59                         | 829.79        | 38.00                 | 867.79            |  |

Initial to signify approval of rates for proposal: \_\_\_\_\_



**Proposal - Renew with Adjusted Current Benefits (Continued)**

**HORSEHEADS CENTRAL SCHOOL**

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**Financial Terms / Assumptions**

- Rates shown are good through 6/30/2011. If Group does not accept this rate action prior to the expiration date, Excellus BlueCross BlueShield reserves the right to re-rate the renewal.
- Signature below indicates acceptance of all rates and terms for this proposal and its accompanying benefit sheet.
- Terms and assumptions used in this rate sheet are superceded by the group contract.
- Rates are for self-funded financial arrangement.
- Medical claims rates include NYS Covered Lives Assessment.
- Minimum participation requirements must be met at time of enrollment.
- This financial arrangement requires a minimum of 250 contracts enrolled.
- Enrollment variations greater than +/-10% require a rate review.
- Security Requirement reductions are contingent upon an annual financial review and other financial criteria that must be met.
- Group will be billed AEA fees.
- A surcharge for third party reporting will apply when Stop Loss coverage is purchased through an external vendor.
- Stop Loss premium is not included in the budgeted rates.
- Changes in federal or state benefit mandates or tax policies will require a rate review.
- Benefits in this proposal have been modified to comply with Health Care Reform.

**Cash Advance**

|                     |            |
|---------------------|------------|
| Amount Required     | \$ 479,200 |
| Current Balance     | \$ 440,200 |
| Additional Required | \$ 39,000  |

**Security Requirement**

|                 |              |
|-----------------|--------------|
| Amount Required | \$ 1,073,700 |
|-----------------|--------------|

2012 Administration \$ 39.00

2013 Administration \$ 40.00

Surcharge for External Stop Loss Reporting PCPM \$ 0.83

Will Stop Loss be Purchased through an External Vendor? \_\_\_\_\_

\_\_\_\_\_  
Proposal Accepted By (Group Representative)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

QF



**Proposal - Renew with Adjusted Current Benefits  
HORSEHEADS CENTRAL SCHOOL  
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**Funding Arrangement:**

**ASC**

| <b>Population:</b>          | <b>Comprehensive 1</b>  | <b>Comprehensive 2</b>  | <b>Cross/Wrap</b>   |
|-----------------------------|---|---|---|
| <b>Plan:</b>                | <b>Plan 1:<br/>Comprehensive 1</b>  | <b>Plan 2:<br/>Comprehensive 2</b>  | <b>Plan 3: Cross/Wrap</b>   |
| <b>OV Copay:</b>            | None  | None  | None  |
| <b>Coinsurance:</b>         | None  | None  | None  |
| <b>Deductible:</b>          | None  | None  | None  |
| <b>Out of Pocket Max:</b>   | None  | None  | None  |
| <b>Lifetime Max:</b>        | Unlimited   | Unlimited   | Unlimited   |
| <b>Pharmacy Plan:</b>       | Integrated Rx   | Drug Coverage Excluded  | Drug Coverage Excluded  |
| <b>Mail Order Pricing:</b>  | NA  | NA  | NA  |
| <b>MAC Pricing:</b>         | NA  | NA  | NA  |
| <b>Oral Contraceptives:</b> | NA  | NA  | NA  |
| <b>Other:</b>               | NA  | NA  | NA  |
| <b>Riders:</b>              | <ul style="list-style-type: none"> <li>• Dependent To Age 26</li> <li>• Student To Age 26</li> <li>• No waiting period for pre-existing conditions</li> <li>• Preventive care covered in full</li> <li>• Federal Mental Health Opt-Out</li> <li>• DME</li> <li>• Custom Riders</li> </ul> | <ul style="list-style-type: none"> <li>• Dependent To Age 26</li> <li>• Student To Age 26</li> <li>• No waiting period for pre-existing conditions</li> <li>• Preventive care covered in full</li> <li>• Federal Mental Health Opt-Out</li> <li>• DME</li> <li>• Custom Riders</li> </ul> | <ul style="list-style-type: none"> <li>• Dependent To Age 26</li> <li>• Student To Age 26</li> <li>• No waiting period for pre-existing conditions</li> <li>• Preventive care covered in full</li> <li>• Federal Mental Health Opt-Out</li> <li>• DME</li> <li>• Custom Riders</li> </ul> |

QF

Initial to signify approval of benefits for proposal : \_\_\_\_\_

**Proposal - Renew with Adjusted Current Benefits (Cont'd)**  
**HORSEHEADS CENTRAL SCHOOL**  
**Contract Period: July 1, 2011 through June 30, 2012**

**Funding Arrangement:**

**ASC**

| <b>Population:</b>          | <b>Cross/Wrap/Rx</b>  | <b>Custom 5: Act &amp; Ret</b>   | <b>Custom 6: Retirees U65</b>  |
|-----------------------------|---|--|--|
| <b>Plan:</b>                | <b>Plan 4: Cross/Wrap/Rx</b>  | <b>Plan 5: Custom Plan Active and Retirees</b>   | <b>Plan 6: Custom Plan Retirees U65</b>  |
| <b>OV Copay:</b>            | None  | \$10 In  | \$10 In  |
| <b>Coinsurance:</b>         | None  | 0% In / 0% Out   | 0% In / 0% Out   |
| <b>Deductible:</b>          | None  | \$0 In / \$0 Out   | \$0 In / \$0 Out   |
| <b>Out of Pocket Max:</b>   | None  | None   | None   |
| <b>Lifetime Max:</b>        | Unlimited   | Unlimited  | Unlimited  |
| <b>Pharmacy Plan:</b>       | Custom Rx Rider   | \$0/\$10/\$15  | \$0/\$10/\$15  |
| <b>Mail Order Pricing:</b>  | 1 Copay 90 Day Supply   | 1 Copay 90 Day Supply  | 1 Copay 90 Day Supply  |
| <b>MAC Pricing:</b>         | No  | No   | No   |
| <b>Oral Contraceptives:</b> | Yes   | Yes  | Yes  |
| <b>Other:</b>               | NA  | \$15 Copay Specialty Drug  | \$15 Copay Specialty Drug  |
| <b>Riders:</b>              | <ul style="list-style-type: none"> <li>• Dependent To Age 26</li> <li>• Student To Age 26</li> <li>• No waiting period for pre-existing conditions</li> <li>• Preventive care covered in full</li> <li>• Federal Mental Health Opt-Out</li> <li>• DME</li> <li>• Custom Riders</li> </ul> | <ul style="list-style-type: none"> <li>• Dependent To Age 26</li> <li>• Student To Age 26</li> <li>• No waiting period for pre-existing conditions</li> <li>• Preventive care covered in full</li> <li>• Federal Mental Health Opt-Out</li> <li>• Prosthetics/DME/Medical Supplies/Foot Orthotics</li> <li>• Inpatient Physical Rehab - 60 Days</li> <li>• Elective Sterilization</li> </ul> | <ul style="list-style-type: none"> <li>• Dependent To Age 26</li> <li>• Student To Age 26</li> <li>• No waiting period for pre-existing conditions</li> <li>• Preventive care covered in full</li> <li>• Federal Mental Health Opt-Out</li> <li>• Prosthetics/DME/Medical Supplies/Foot Orthotics</li> <li>• Inpatient Physical Rehab - 60 Days</li> <li>• Elective Sterilization</li> </ul> |

QF

Initial to signify approval of benefits for proposal (Cont'd): \_\_\_\_\_

**Proposal - Renew with Adjusted Current Benefits (Cont'd)**  
**HORSEHEADS CENTRAL SCHOOL**  
**Contract Period: July 1, 2011 through June 30, 2012**

**Funding Arrangement:**

**ASC**

|                             |  |
|-----------------------------|--|
| <b>Population:</b>          | <b>Custom 7: Retirees O65</b>  |
| <b>Plan:</b>                | <b>Plan 7: Custom Plan Retirees O65</b>  |
| <b>OV Copay:</b>            | \$10 In  |
| <b>Coinsurance:</b>         | 0% In / 0% Out   |
| <b>Deductible:</b>          | \$0 In / \$0 Out   |
| <b>Out of Pocket Max:</b>   | None   |
| <b>Lifetime Max:</b>        | Unlimited  |
| <b>Pharmacy Plan:</b>       | \$0/\$10/\$15  |
| <b>Mail Order Pricing:</b>  | 1 Copay 90 Day Supply  |
| <b>MAC Pricing:</b>         | No   |
| <b>Oral Contraceptives:</b> | Yes  |
| <b>Other:</b>               | \$15 Copay Specialty Drug  |
| <b>Riders:</b>              | <ul style="list-style-type: none"> <li>• Dependent To Age 26</li> <li>• Student To Age 26</li> <li>• No waiting period for pre-existing conditions</li> <li>• Preventive care covered in full</li> <li>• Federal Mental Health Opt-Out</li> <li>• Prosthetics/DME/Medical Supplies/Foot Orthotics</li> <li>• Inpatient Physical Rehab - 60 Days</li> <li>• Elective Sterilization</li> </ul> |

QF Initial to signify approval of benefits for proposal (Cont'd): \_\_\_\_\_

EXCELLUS HEALTH PLAN  
CENTRAL NEW YORK SOUTHERN TIER REGION

**STOP LOSS QUOTE**  
**\*\*\* ILLUSTRATIVE PURPOSES ONLY \*\*\***  
**COVERAGE CANNOT BE BOUND**

Group Name: Horseheads CSD ASC  
 Group Numbers: 0014370-00; 502005-001, 002, 003, 401 Local Renewal  
 Contract Effective Date: January 1, 2011  
 Contract Basis: **Option #1** **Option #2**  
                           12/12 12/15  
                           **Incurred:** 01/01/11 - 12/31/11 01/01/11 - 12/31/11  
                           **Paid:** 01/01/11 - 12/31/11 01/01/11 - 03/31/12  
 Number of Contracts, per Month: 731 - Specific Stop Loss  
   1003 - Aggregate Stop Loss

**OPTION #1**

**Contract Basis**  
**Incurred in 12, Paid in 12**

| SPECIFIC DEDUCTIBLE | Premium Per Contract, Per Month | Specific Lifetime Reimbursement per Covered Person | Expected Specific Annual Premium |
|---------------------|---------------------------------|--|----------------------------------|
| \$130,000           | \$37.17                         | Unlimited  | \$326,055                        |
| \$150,000           | \$31.22                         | Unlimited  | \$273,862                        |

| AGGREGATE with 125% Corridor      | Annual Premium | Monthly Aggregate Deductible Factor | Estimated Annual Aggregate Deductible |
|-----------------------------------|----------------|-------------------------------------|---------------------------------------|
| With \$130,000 Specific Stop Loss | \$38,280       | \$1,217.77                          | \$14,657,079.72                       |
| With \$150,000 Specific Stop Loss | \$38,280       | \$1,226.90                          | \$14,766,968.40                       |

**OPTION #2**

**Contract Basis**  
**Incurred in 12, Paid in 15**

| SPECIFIC DEDUCTIBLE | Premium Per Contract, Per Month | Specific Lifetime Reimbursement per Covered Person | Expected Specific Annual Premium |
|---------------------|---------------------------------|--|----------------------------------|
| \$130,000           | \$43.86                         | Unlimited  | \$384,740                        |
| \$150,000           | \$36.84                         | Unlimited  | \$323,160                        |

| AGGREGATE with 125% Corridor      | Annual Premium | Monthly Aggregate Deductible Factor | Estimated Annual Aggregate Deductible |
|-----------------------------------|----------------|-------------------------------------|---------------------------------------|
| With \$130,000 Specific Stop Loss | \$39,811       | \$1,371.55                          | \$16,507,975.80                       |
| With \$150,000 Specific Stop Loss | \$39,811       | \$1,383.96                          | \$16,657,342.56                       |

**COMMENTS**

THE ABOVE QUOTE IS SUBJECT TO FINAL LARGE CLAIMANT REVIEW & CURRENT DATA ANALYSIS  
 COVERED BENEFITS INCLUDE MEDICAL AND RX  
 SHOULD ENROLLMENT VARY BY +/-10%, WE RESERVE THE RIGHT TO RE-QUOTE.  
 A SURCHARGE FOR THIRD PARTY REPORTING WILL APPLY IF STOP LOSS COVERAGE IS PURCHASED THROUGH AN EXTERNAL VENDOR.  
 THE ABOVE QUOTE IS BASED ON 731 CONTRACTS FOR SPECIFIC AND 1003 CONTRACTS FOR AGGREGATE STOPLOSS,  
 AGGREGATE ONLY COVERAGE IS NOT OFFERED  
 THE QUOTE IS BASED ON AN ANNUAL AGGREGATE MAXIMUM REIMBURSEMENT OF \$1,000,000