

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) REGULAR SESSION

Bill No. 81-32 (COR)

Introduced by:

V.C. Pangelinan
B.J.F. Cruz

2013 APR - 5 PM 12: 44

**AN ACT TO PROVIDE HEALTH INSURANCE TO
GOVERNMENT OF GUAM EMPLOYEES AND
RETIREES FOR FISCAL YEAR 2014**

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan*
2 finds that the FY2013 Government of Guam Health Insurance Program
3 (“GHIP”) procurement is being perpetually continued with the existing
4 insurance company at FY2012 rates due to protests and the subsequent
5 cancellation of Procurement No. DOA/HRD-RFP-GHI-13-001. A reissuance
6 of another Request for Proposal (“RFP”) under identical rules, or in the
7 absence of more particular rules, requires a longer protracted process that
8 will prolong the non-competitive perpetual continuation with the existing
9 insurance company at FY2012 rates.

10 *I Liheslaturan Guåhan* finds that the initial protest filed in the
11 FY2013 GHIP procurement by TakeCare Insurance occurred on August 8,
12 2012. On August 10, the Director of Administration solicited an extension of
13 the current GHIP contract at the current premiums with Calvo’s Selectcare
14 for up to twelve (12) months citing the guaranteed renewability provisions in
15 the Health Insurance Portability and Accountability Act (“HIPAA”) for
16 employers. Calvo’s Selectcare responded affirmatively to the request on
17 August 16, 2012 and coverage has been extended to cover October 2012 at

1 the current rates. Over One (1) month after its initial filing, the TakeCare
2 Insurance (“TakeCare”) protest was accepted by the Government of Guam
3 Negotiations Team (“GGNT”) which required the cancellation and re-
4 solicitation of the FY2013 GHIP contract.

5 The basis for the decision of the Negotiating Team to cancel this
6 solicitation was 1) the failure of the government to follow the General
7 Procedures set out in the Request For Proposals DOA/HRD-RFP-GHI-13-
8 001, beginning at page 17, Section III; more specifically, the failure of the
9 government to determine both the responsiveness of proposals and the
10 qualification of proposals during Phase I of the Proposal Evaluation and
11 Negotiation Procedure, as required by the Request for Proposals; and 2) the
12 release of a draft copy of the Evaluation Memorandum to only two offerors,
13 to the detriment of other offerors.

14 *I Liheslaturan Guåhan* further finds that on September 19, 2012,
15 Calvo’s SelectCare filed an appeal in protest of the cancellation of
16 DOA/HRD-RFP-GHI-13-001, stating that the GGNT did not provide
17 sufficient evidence to support its decision to cancel the RFP that was in the
18 best interest of the Territory. Hearings for the appeal were delayed in
19 November, January and now are cancelled due to the passing of six (6)
20 months of Fiscal Year 2013. The cancellation effectively has forced the
21 Government of Guam and its employees to overpay insurance premiums for
22 the third consecutive year. *I Liheslaturan Guåhan* finds that invoking the
23 HIPAA guaranteed renewability provision was costly and inefficient and is
24 not the preferred method of securing insurance for the employees and
25 retirees of the GHIP.

26 *I Liheslaturan Guåhan* finds that the FY2013 GHIP Procurement No.
27 DOA/HRD-RFP-GHI-13-001 resulted in very competitive proposals from

1 Island Home Insurance (“Staywell”), SelectCare, TakeCare and Aetna
2 International Insurance, represented by Netcare Life and Health Insurance
3 (“Netcare”).

4 All proposals would have more than likely resulted in the government
5 and its employees and retirees realizing a significant reduction in premiums
6 compared to the FY 2013 rates and would have allowed Government of
7 Guam employees and retirees the right to choose from more than one (1)
8 insurance option.

9 *I Liheslaturan Guåhan* finds that the most recent medical and dental
10 claims submitted by Calvo’s Selectcare to *I Liheslaturan Guåhan* on
11 February 14, 2013 contain all paid claims between October 1, 2011 and
12 February 14, 2012 or sixteen (16) months of actual data for the FY2012
13 contract. The Office of Finance and Budget (“OFB”) performed an analysis
14 of the submitted data using insurance industry standard underwriting tools
15 and concluded that the GHIP is projected to overpay premiums by
16 approximately Five Million Dollars (\$5,000,000.00) above the cost of
17 services provided for the second year in a row according to Participating
18 Experience Contract standards.

19 *I Liheslaturan Guåhan* finds that the actual loss ratio for FY2011
20 equaled sixty percent (60%) and the projected loss ratio for FY2012 is
21 seventy percent (77%). Both loss ratios are well below the eighty-five
22 percent (85%) threshold required in the Section 2718 provision of the
23 PPACA.

24 *I Liheslaturan Guåhan* finds that the Government of Guam is not in a
25 position where it can afford to continue to overpay annual medical and
26 dental premiums in excess of Five Million Dollars (\$5,000,000.00) a year.
27 This takes income out of government employees and retirees pockets every

1 pay period creating hardship for families as well as presenting unnecessary
2 financial burden on the government.

3 *I Liheslaturan Guåhan* finds that the optimal approach for the GHIP
4 to purchase coverage for its eligible employees and retirees is to use health
5 insurance underwriting rating tools and the historical claims data to develop
6 the required projected premiums for the GHIP at an eighty five percent
7 (85%) loss ratio.

8 *I Liheslaturan Guåhan* finds that upon the direction of *I Liheslaturan*
9 *Guåhan*, the OFB utilized health insurance industry standard methodologies
10 and tools with the most recent twelve months of claims data and trended the
11 data for twenty four (24) months which resulted in total required premiums
12 of Sixty Eight Million Three Hundred Sixty One Thousand Seventy Four
13 Dollars (\$68,361,074.00) for the existing medical and dental plans for
14 FY2014.

15 *I Liheslaturan Guåhan* finds that the projected required premium for
16 FY2014 results in a savings of approximately Five Million Eighty Six
17 Thousand One Hundred Thirty Nine Dollars (\$5,086,139.00) when
18 compared to the current FY2013 contract.

19 *I Liheslaturan Guåhan* further finds that Government of Guam
20 employees and retirees desire competition in the GHIP in order to provide a
21 choice of health insurance and lower premiums resulting from said
22 competition. On August 22, 2012 a roundtable discussion was held to
23 discuss the procurement of medical and dental insurance with members of *I*
24 *Liheslaturan Guåhan*, Staywell, TakeCare, Netcare and Calvo's Selectcare.
25 The discussion focused in depth on the procurement process used for the
26 Federal Employees Health Benefits Plans ("FEHB"). Both TakeCare and
27 Calvo's Selectcare discussed the ease of the FEHB process with respect to

1 submitting annual pricing proposals for covering federal employees and
2 annuitants.

3 *I Liheslaturan Guåhan* finds that the FEHB procurement resembles a
4 sealed invitation for bid process where pricing proposals are submitted by
5 each eligible offeror and accepted unconditionally if no objectionable
6 pricing assumptions or obvious data errors are detected by the Office of
7 Personnel Management contract specialists and its actuaries. The basis of
8 choice available to federal employees is determined by the price and
9 perceived quality of the product and service offered by each vendor. This
10 type of arrangement promotes maximum competition resulting in the best
11 price and products for the FEHB.

12 Dr. Robert E. Moffit, a senior fellow in domestic and economic policy
13 studies at the Heritage Foundation who specializes in health care cites the
14 FEHB program as “historically achieving superior performance in cost
15 control” by incorporating “fundamental market principles of real consumer
16 choice, genuine competition, and light and reasonable regulation,” the result
17 of which is “to deliver high quality health care and high levels of consumer
18 satisfaction.”

19 *I Liheslaturan Guåhan* finds that the resulting financial burden placed
20 upon the Government of Guam and its employees and retirees caused by the
21 no bid extension of the FY2012 GHIP benefits and rates is unacceptable and
22 requires *I Liheslaturan Guåhan* to intercede by introducing a solution that 1)
23 lowers the current cost of the GHIP contract; 2) provides multiple choices of
24 insurance providers and 3) does not present opportunities to continue to
25 delay the GHIP procurement through protests.

1 *I Liheslaturan Guåhan* further finds that an invitation for bid that
2 requires all bidders to submit its best and final offer at a sealed bid opening
3 is the most prudent and best method to award GHIP contracts for FY2014.

4 *I Liheslaturan Guåhan* finds that the FEHB uses a similar process to
5 the solution presented and *I Liheslaturan Guåhan* is committed to
6 implementing fundamental market principles of real consumer choice,
7 genuine competition, and light and reasonable regulation as means to an
8 expedient and market driven procurement of medical and dental insurance in
9 FY2014.

10 Three of the four offerors to the FY 2013 GHIP RFP, SelectCare,
11 TakeCare and Aetna International Insurance are all qualified and currently
12 provide insurance to the FEHB program. The fourth offeror is a company
13 approved by the Office of the Insurance and Banking Commission of the
14 Department of Revenue and Taxation as a company in good standing with
15 the necessary financial resources to provide insurance coverage to private
16 companies on Guam.

17 *I Liheslaturan Guåhan* finds that the FEHB program implements the
18 highest standard of scrutiny on health insurance providers to ensure that its
19 employee and annuitants are protected. *I Liheslaturan Guåhan* finds that
20 any company currently providing insurance to the FEHB program is well
21 vetted by the professionals within the federal government's Office of
22 Personnel Management and is qualified to provide insurance to the
23 government of Guam and its employees and retirees.

24 **Section 2. Invitation for Bid for the Government of Guam's**
25 **Group Health Insurance Program for Fiscal Year 2014.** Notwithstanding
26 any other provision of law, the procurement of medical and dental insurance
27 for government of Guam employees and retirees for Fiscal Year 2014

1 (“FY2014”) shall conform to the competitive sealed bidding procedures set
2 forth in this Act.

3 (A) The Chief Procurement Officer of the Government of
4 Guam (“CPO”), as defined by 5 G.C.A. §§ 5030(c) and 5110, shall
5 serve as Chairperson of the Government of Guam Health Insurance
6 Negotiating Team (“GGNT”). The CPO, on behalf of the GGNT,
7 shall issue an invitation for bid (“IFB”) for medical and dental
8 insurance for Government of Guam employees and retirees no later
9 than May 23, 2013 for FY2014. The GGNT membership of the CPO
10 shall be non-voting and the Director of the Department of
11 Administration shall remain a voting member.

12 (B) Any previous procurement solicitations for the GHIP
13 FY2014 medical and dental insurance, prior to enactment of this Act
14 are hereby cancelled as of the enactment of this Act and shall not be
15 reissued except by IFB pursuant to the provisions of this Act.

16 (C) All actions related to the IFB shall occur in meetings
17 announced by the CPO and must comply with the Open Government
18 Law of Guam. For purposes of this Act, all meetings of the GGNT
19 shall be deemed special meetings of a public agency for which notice
20 shall be provided pursuant to 5 G.C.A. § 8107(b); and which shall be
21 open meetings pursuant to 5 G.C.A. § 8103. A recording shall be
22 made of all meetings of the GGNT which shall be further documented
23 by public minutes compiled by the Department of Administration.
24 The electronic recording and public minutes shall comply with the
25 provisions outlined in 5 G.C.A. § 8113.1. No actions related to the
26 IFB shall be considered privileged, including legal advice provided to
27 the GGNT or CPO. Nothing in this Act shall prevent the Office of the

1 Attorney General from representing the government of Guam in any
2 court or Office of Public Accountability proceedings related to the FY
3 2014 GHIP procurement. The IFB for FY2014 shall:

4 (1) solicit medical and dental insurance for the period
5 starting October 1, 2013 and ending September 30, 2014;

6 (2) be announced in publications of general circulation
7 in Guam and in top publications nationally and in leading
8 publications internationally; and

9 (3) require all responses to the IFB by prospective
10 bidders be submitted at a predetermined meeting date and time,
11 no more than twenty-three (23) calendar days, after the initial
12 publication of the solicitation of the IFB. If the twenty-third day
13 falls on a Saturday, Sunday, or legal holiday the meeting shall
14 be held on the next business day. At the same meeting, the bids
15 will be unsealed by the CPO in the presence of a quorum of the
16 GGNT and the names of all bidders and the amounts of their
17 bids shall be entered in the minutes. The GGNT shall
18 unconditionally accept all bids and award a contract to all
19 bidders that meet the requirements in Section 5 of this Act.

20 (4) A quorum for purposes of this act shall be seven
21 (7) total members who may be voting or non-voting.

22 **Section 3. Invitation for Bid Requirements.** Notwithstanding any
23 other provision of Guam procurement law, the procurement of medical and
24 dental insurance for Government of Guam employees and retirees for
25 FY2014 shall conform to the requirements set forth in this Section.

26 (A) The Medical and Dental plans offered by all bidders shall
27 provide the same benefits and levels of coverage consistent with the

1 Schedules of Benefits previously defined in Exhibit R of Procurement
2 No. DOA/HR-RFP-GHI-13-001 inclusive of the Wellness Benefit that
3 meets the requirements outlined in Exhibit 2 of this Act. Bidders may
4 opt to cover items that are listed as exclusions in Exhibit R of
5 Procurement No. DOA/HRD-RFP-GHI-13-001. A formal request to
6 cover any excluded items shall be included as part of the sealed bid
7 and are subject to the approval of the GGNT.

8 (B) The medical and dental plans shall use the following
9 subscriber tiers and weighting of premiums:

- | | | |
|----|-------------------------------------|-----|
| 10 | (1) Employee/Retiree Only | 1.0 |
| 11 | (2) Employee/Retiree and Spouse | 2.2 |
| 12 | (3) Employee/Retiree and Child(ren) | 1.8 |
| 13 | (4) Employee/Retiree and Family | 3.0 |

14 (C) The monthly government contribution for the medical
15 and dental plans shall be applied uniformly to all bidders awarded a
16 contract and shall equal the following amount by tier by plan by
17 subscriber. If any plan's monthly government contribution in any tier
18 exceeds the total monthly premium for said tier then the monthly
19 government contribution shall decrease for said tier such that the
20 government contribution for said tier equals the total monthly
21 premium.

- | | | | |
|----|---------------------------|------------------|----------|
| 22 | (1) Employee/Retiree Only | | |
| 23 | i. HSA2000 | Active | \$131.83 |
| 24 | ii. 1500 Deductible | Active | \$200.79 |
| 25 | iii. HSA/HRA2000 | Retiree | \$343.34 |
| 26 | iv. 1500 Deductible | Retiree | \$623.78 |
| 27 | v. Dental | Active & Retiree | \$17.73 |

1	(2)	Employee/Retiree and Spouse		
2		i. HSA2000	Active	\$210.94
3		ii. 1500 Deductible	Active	\$390.85
4		iii. HSA/HRA2000	Retiree	\$676.25
5		iv. 1500 Deductible	Retiree	\$1321.45
6		v. Dental	Active & Retiree	\$21.12
7	(3)	Employee/Retiree and Child(ren)		
8		i. HSA2000	Active	\$172.58
9		ii. 1500 Deductible	Active	\$319.80
10		iii. HSA/HRA2000	Retiree	\$553.29
11		iv. 1500 Deductible	Retiree	\$1,081.20
12		v. Dental	Active & Retiree	\$17.29
13	(4)	Employee/Retiree and Family		
14		i. HSA2000	Active	\$287.64
15		ii. 1500 Deductible	Active	\$532.99
16		iii. HSA/HRA2000	Retiree	\$922.12
17		iv. 1500 Deductible	Retiree	\$1801.99
18		v. Dental	Active & Retiree	\$28.80

19 (D) The total monthly premium rates for retirees for all plans
20 shall equal exactly 2.5x the premium rates of Active employees.

21 (E) The total monthly premiums of the 1500 Deductible plan
22 shall equal exactly 2x the premium rates of the HSA2000 and
23 HRA2000 plan.

24 (F) The Government shall contribute Seven Hundred Fifty
25 Dollars (\$750.00) to single subscribers [tier] and One Thousand Five
26 Hundred Dollars (\$1,500.00) for all other subscribers [tiers] who elect
27 the HSA2000 plan provided the subscriber has a Health Savings

1 Account pursuant to 26 U.S.C. Section 223(d), as amended. The
2 government shall distribute the contribution amount to eligible Health
3 Savings Accounts in two equal installments with a pay date Thirty
4 (30) days after the start of the plan year and a pay date One Hundred
5 Eighty (180) days after the start of the plan year.

6 (G) The government shall contribute Seven Hundred Fifty
7 Dollars (\$750.00) to single subscribers [tier] and One Thousand Five
8 Hundred Dollars (\$1,500.00) for all other subscribers [tiers] who elect
9 the HRA2000 plan provided that the subscriber has a Health
10 Reimbursement Arrangement Plan pursuant to Sections 105 and 106
11 of the Internal Revenue Service Code and as defined in IRS Notice
12 2002-45. The government shall distribute the contribution amount to
13 eligible HRA accounts in two equal installments with a pay date
14 Thirty (30) days after the start of the plan year and a pay date One
15 Hundred Eighty (180) days after the start of the plan year.

16 (H) The calculation of medical and dental premiums in
17 Section 5(D) of this Act shall use the January 2013 enrollment data
18 submitted as an official message to *I Liheslaturan Guåhan* registered
19 as document *32GL-13-123*. The SC2000 plan shall be the equivalent
20 of the HSA2000/HRA2000 and the SC1500 plan shall be the
21 equivalent of the 1500 Deductible for the purposes of calculating
22 premiums in the IFB.

23 (I) The Group Health Insurance Agreements (Contracts) for
24 the HSA2000/HRA2000, 1500 Deductible and Dental plans shall be
25 exactly the same as the FY2012 Contracts with revisions deemed, by
26 the GGNT, in the best interest of the government, its employees and
27 retirees for all successful bidders with the exception of a separate

1 Article for each offeror's medical and dental premium rates submitted
2 as part of bid process outlined in Section 2(C)(3) of this Act. A
3 written report of the revisions deemed in the best interest of the
4 government by the GGNT shall include the justification for such
5 changes and shall be submitted by the GGNT to the Speaker of *I*
6 *Liheslaturan Guåhan* no later than when the Contracts are finalized.
7 The Contracts shall be finalized by the AGO *no later than* May 15,
8 2013 and included in the IFB. The contract shall include a one page
9 addendum for bidders that agree to submit to a Participating
10 Experience Contract that requires eighty six percent (86%) of
11 premiums to be spent on medical and dental claims pursuant to
12 Section 5(F).

13 (J) The IFB package shall, at the minimum, contain the
14 following information:

15 (1) Copy of a uniform contract to be executed by all
16 prospective offerors who participate in the provision of medical
17 and dental insurance to the government;

18 (2) Electronic Microsoft Excel files containing the
19 GHIP Claims data for the period October 1, 2010 to March 31,
20 2013 provided to the Department of Administration and Office
21 of Finance and Budget pursuant to 4GCA, Chapter 4, §4302(g);

22 (3) Schedule of Benefits of the dental and medical
23 plans previously identified as Exhibit R of Procurement No.
24 DOA/HRD-RFP-GHI-13-001 inclusive of the wellness benefit
25 that meets the requirements outlined in Exhibit 2; and

26 (4) The Microsoft Excel template "Exhibit 1 –
27 Required Premium Calculation" for the calculation of the

1 premium by prospective offerors. Exhibit 1 of this Act shall be
2 the template included in the IFB.

3 (5) No bid bond shall be required.

4 (K) The financial solvency of all bidders shall be subject to
5 the review of the Office of Banking and Insurance Commissioner
6 (Commissioner), with the exception of those companies who have
7 already been deemed financially sound by the Commissioner in July
8 2012, as part of Procurement No. DOA/HRD-RFP-GHI-13-001.

9 (L) Offerors awarded a contract *shall* file the health
10 insurance policy with the Commissioner at least fifteen (15) days prior
11 to the policy's effective date and pay the applicable fees.

12 **Section 4. Authorization to Establish Health Reimbursement**
13 **Arrangement Plan for Eligible Retirees and Dependents.** It is the intent
14 of *I Liheslaturan Guåhan* for the government of Guam to provide Health
15 Reimbursement Arrangement (HRA) Plans to eligible retirees and
16 dependents who do not qualify for a Health Savings Account (HSA). The
17 government of Guam *shall* offer a plan (HRA2000) with the same benefits
18 as the HSA2000 and a Health Reimbursement Arrangement (HRA) for the
19 benefit of its retirees and dependents who are not eligible for a Health
20 Savings Account. Eligibility criteria is as follows:

21 (A) Retirees who are enrolled in Medicare, or

22 (B) Retirees who are covered by another non-High
23 Deductible High Premium (HDHP) health plan, or

24 (C) Retirees who are otherwise not eligible for a Health
25 Savings Account (HSA).

26 **Section 5. Invitation for Bid Responsiveness.** Notwithstanding any
27 other provision of Guam procurement law, for the purposes of procuring

1 health insurance for government of Guam employees and retirees in FY
2 2014, a responsive bidder shall mean a bidder conforming to the
3 requirements set forth in this section:

4 (A) All bidders shall provide a copy of a current Certificate
5 of Authority issued by the Commissioner at the time of bid
6 submission.

7 (B) In the event any risks for health is reinsured or
8 transferred by the bidder to a reinsurance company, the reinsurer that
9 assumes the risk shall also provide a copy of a current Certificate of
10 Authority to transact reinsurance business on Guam.

11 (C) All bidders, to include agents, reinsurers and
12 underwriters, must submit a copy of a current Guam business license.

13 (D) The total annual medical and dental premium calculation
14 of the bid shall not exceed Sixty Eight Million Three Hundred Sixty
15 One Thousand Seventy Four Dollars (\$68,361,074.00) for all carriers
16 for twelve months. The premium calculation shall be derived by
17 multiplying the total number of subscribers by twelve by the
18 equivalent submitted plan rates. Exhibit 1 of this Act shall be used to
19 calculate the premiums and identify whether the rates conform to the
20 requirements in Section 3(B), (D) and (E). In the event all the bids
21 exceed the amount specified in this subsection, then the solicitation
22 shall be cancelled.

23 (E) All bidders shall submit signed Contracts for the
24 HSA2000/HRA2000, 1500 Deductible and Dental plans as part of its
25 submitted sealed bid package.

26 (F) Bidder shall declare whether it agrees to a Participating
27 Experience Contract that requires eighty six percent (86%) of

1 premiums to be spent on medical and dental claims. Bidders not
2 agreeing to a Participating Experience Contract shall by default be
3 required to reconcile premiums and claims pursuant to PPACA
4 Section 2718 MLR standards.

5 **Section 6. Inquiries of Prospective Offerors.** All prospective
6 offerors shall submit in writing all inquiries relating to the interpretation and
7 technical details of the IFB at a pre-bid conference meeting no more than
8 eleven (11) calendar days after the IFB issuance. If the eleventh day falls on
9 a Saturday, Sunday, or legal holiday the meeting shall be held on the next
10 business day.

11 At the same meeting, the inquiries will be received by the CPO in the
12 presence of a quorum of the GGNT. To the maximum extent practicable, all
13 inquiries will be answered by the CPO and members of the GGNT at the
14 meeting. In the event the CPO is unable to provide an answer to an inquiry
15 at the meeting, the GGNT shall respond within seven (7) calendar days of
16 the meeting. Copies of all inquiries and responses shall be delivered to all
17 prospective offerors. All written determinations allowable under Guam
18 procurement law shall be made by the GGNT.

19 **Section 7. Binding Offer.** After bid opening, a bidder may not change
20 the price or any other provision of the bid in a manner prejudicial to the
21 interests of the governmental body or fair competition. An award on the bid
22 is a binding contract with terms and conditions that do not vary from the
23 terms and conditions of the invitation and addenda.

24 **Section 8. Non-Exclusive Awards.** Notwithstanding any other
25 provision of law, the award(s) resulting from the solicitation provided for in
26 this Act shall be non-exclusive award(s) for health insurance coverage for
27 qualified active employees and qualified retirees of the Government of

1 Guam, who shall have a choice of one of the insurers receiving an award for
2 FY 2014 for health insurance.

3 **Section 9. Duties of GGNT.** Notwithstanding any other provision of
4 law, for the FY 2014 GHIP procurement, the GGNT shall not develop a
5 ranking system to rank the proposals or rank said proposals.

6 **Section 10. Severability.** If any provisions of this Act or the
7 application thereof to any person or circumstance is held invalid, such
8 invalidity *shall* not affect any other provision or application of this Act
9 which can be given effect without the invalid provision or application, and to
10 this end the provisions of this Act are severable.

Exhibit 1 - Required Premium Calculation

Government of Guam Health Insurance Program FY2014

Instructions: Enter single rate for 2000HSA Plan in cell [K13] and single rate for Dental in cell [K24]

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
FY MONTH		FY2012 July					
		EE	EE+SP	EE+CHILD(REN)	EE+FAMILY	TOTAL SUBS	TOTAL MEMS
[11]	MEDICAL	6,596	961	1,736	1,774	11,067	21,485
[12]	SC2000	2,732	276	591	667	4,266	7,927
[13]	ACTIVE	1,909	182	553	610	3,254	6,598
[14]	RETIREE	823	94	38	57	1,012	1,329
[15]	SC1500	3,864	685	1,145	1,107	6,801	13,558
[16]	ACTIVE	2,124	317	984	942	4,367	9,993
[17]	RETIREE	1,740	368	161	165	2,434	3,565

[J]	[K]	[L]	[M]	[N]
	EE	EE+SP	EE + CHILD(REN)	EE + FAMILY
MEDICAL				
HSA2000				
A	\$130.00	\$286.00	\$234.00	\$390.00
R	\$325.00	\$715.00	\$585.00	\$975.00
SC1500				
A	\$260.00	\$572.00	\$468.00	\$780.00
R	\$668.50	\$1,470.70	\$1,203.30	\$2,005.50

FY MONTH		FY2012 July					
		EE	EE+SP	EE+CHILD(REN)	EE+FAMILY	TOTAL SUBS	TOTAL MEMS
[24]	DENTAL	5,216	666	1,618	1,612	9,112	18,540

	EE	EE+SP	EE + CHILD(REN)	EE + FAMILY
DENTAL	\$30.00	\$66.00	\$54.00	\$90.00

PROJECTED MEDICAL & DENTAL PREMIUM

	EE	EE+SP	EE + CHILD(REN)	EE + FAMILY	TOTAL
[29]	MEDICAL				
[30]	2000HSA				
[31]	ACTIVE	\$2,978,040	\$624,624	\$1,552,824	\$2,854,800
[32]	RETIREE	\$3,209,700	\$806,520	\$266,760	\$666,900
[33]	1500 DEDUCTIBLE				
[34]	ACTIVE	\$6,626,880	\$2,175,888	\$5,526,144	\$8,817,120
[35]	RETIREE	\$13,958,280	\$6,494,611	\$2,324,776	\$3,970,890
[36]	TOTAL MEDICAL	\$26,772,900	\$10,101,643	\$9,670,504	\$16,309,710
[38]	TOTAL DENTAL	\$1,877,760	\$527,472	\$1,048,464	\$1,740,960
[40]	TOTAL MEDICAL & DENTAL	\$28,650,660	\$10,629,115	\$10,718,968	\$18,050,670

Premiums Below ITB Required Level. Bid is Responsive

Exhibit 2

WELLNESS & FITNESS BENEFIT must include at least the following:

- A) Cardiovascular Training;
- B) Resistance and Strength Training;
- C) Flexibility Training conducted by certified personal trainers;
- D) Regular Group Exercise Classes with options to provide additional classes to organized groups of subscribers upon request;
- E) Monthly Nutrition Classes by certified nutritionists;
- F) Fitness Assessments including Body Mass Index (BMI) by certified personal trainers;
- G) Have the capacity to service large number of subscribers with fitness attendants available at all times to assist subscribers with Cardia Vascular Machines, Circuit Weight Machines, and Free Weight Areas;
- H) Assistance to the physically impaired and meet the laws on equal access and comply with the Americans with Disability Act Regulations;
- I) Provide child care services to subscribers utilizing wellness program facilities;
- J) Hours of operation Monday through Sunday, except for holidays and special events.
- K) Free utilization of any gym facilities per member/per dependent per the plan year as an integral part of the wellness benefit.