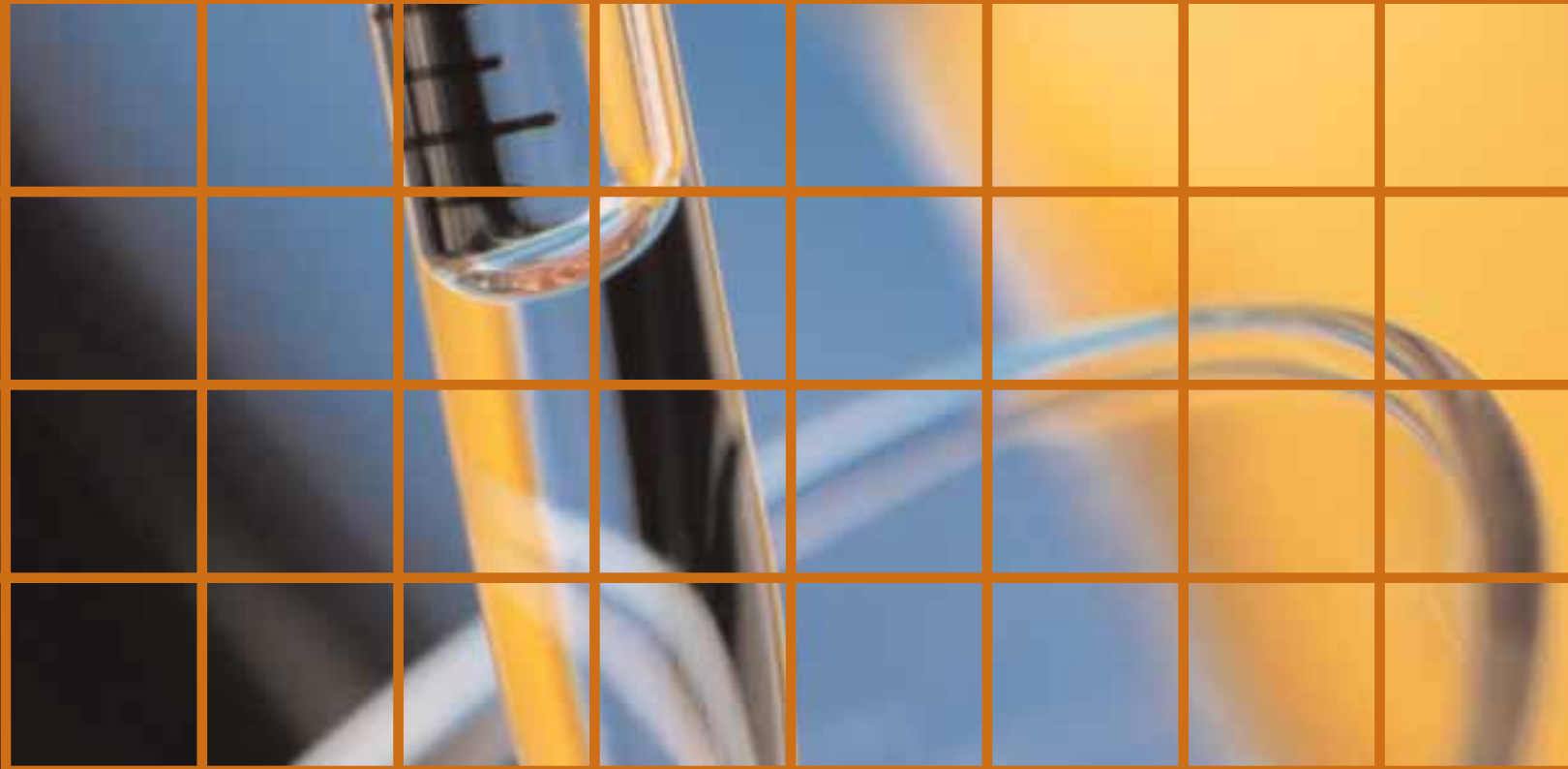


Milliman

**Health and Welfare
Plan Consulting**



Milliman

**Delivering insight into
employee health and
welfare plan cost,
risk management, and
design strategies.**

MILLIMAN

Milliman health and welfare consultants bring you in-depth knowledge, supported by the most current research and innovative proprietary tools and products. We offer unparalleled technical capabilities and unrivaled data resources, coupled with broad-based business expertise, to provide creative solutions customized for your organization's needs.



CLIENTS SERVED

Milliman has the extensive understanding of the constantly changing markets to provide services to the full spectrum of clients—whether insured or self-funded—that sponsor health and welfare benefits.

- Corporations
- Taft-Hartley (multiemployer) health and welfare funds
- Federal, state, and local governments
- Not-for-profit organizations
- Multinationals

PROFESSIONAL SERVICES

Few areas of business today change as quickly as employee benefits. And with health plan sponsors challenged by budgetary and competitive pressures, designing the right plan for your workforce now and for the future must remain a high priority. Milliman helps you navigate shifting demographics, increasing regulatory demands, and steadily rising costs. We offer independent and objective expertise, and deliver tailored solutions to reduce costs and volatility, streamline plan administration, and manage benefit costs and risks.

Health plan diagnostics

Do you really know what is driving your healthcare costs?

Milliman will give your plan a “check up” to identify its strengths and weaknesses. Our reviews cover all aspects of your plan, including design, utilization, cost level, stop-loss coverage, administration fees and services, and funding method. Our industry-standard-setting benchmarking tools can help you understand what is driving your costs, providing reliable data to make decisions on plan design, healthcare quality, and provider performance and efficiency.

Plan design

Are your plans meeting corporate and human resource objectives? Are they in line with current market trends? Our simulation models quantify the effect of any plan design change, including cost-sharing amounts and specific benefits coverage. Milliman helps you weigh the potential cost impact of different healthcare delivery systems (such as HMOs, PPOs, and POS programs), as well as the costs and risks of HSAs and other evolving consumer-driven plan options. We also can assess the appropriateness of different prescription drug formularies, flexible benefits, multiple plan options, integrated workers' compensation, and behavioral healthcare.

Cost management

How do your healthcare networks and third-party administrators compare with others in terms of services, costs, and quality? Are you getting the most value from your medical management program? We compare your experience against expected costs based on your plan design and demographics, evaluate large claims experience, project the implications of population shifts, and measure the effectiveness of managed care arrangements. Milliman also performs network and claims administrator searches, and assists in annual reviews and negotiations with your current insurers and healthcare providers. Our service and cost benchmarks help you compare benefit plans, size and breadth of networks, rates, quality measures, and the efficiency of delivery systems. We also are at the forefront of data warehousing to manage costs and in the formation of employer-based healthcare coalitions that are leading the quality movement.

Disease management/health promotion

Are your healthcare networks providing optimal, quality care and efficient services at a reasonable cost? Are there plan features that you should consider implementing to control costs and boost quality? Our physicians, nurses, and consultants have the technical knowledge to help determine the most effective clinical management practices for your health plan.

Retiree health coverage

Are you appropriately managing the costs for retiree health? We prepare liability and annual cost calculations under the required SFAS 106, GASB 43 and 45, and SOP 92-6 accounting standards. Using simulation models, we measure the effect of plan design and retiree contribution changes on valuation results, and develop strategies for managing your plan's costs and liabilities, including funding strategies. Milliman is a leader in responding to ongoing changes in Medicare, including actuarial attestations for Part D prescription drug benefits.

Self-insured program reviews

Is your self-funded plan adequately capitalized? We provide structural and financing advice, reviewing the amount of exposure retained versus fully insured, overall funding indications, and funding allocations to profit centers.

Health and disability reserves

We use our actuarial models to estimate your liability for "incurred but not reported" claims, develop appropriate reserves for self-funded plans, and review estimates presented by insurers for insured plans.

Other welfare benefits

Our consultants are experienced in disability, life, and long-term care insurance, employee assistance programs, dental and vision care, cafeteria plans, and dependent care spending accounts.

Communications

Do employees still see healthcare as an entitlement? Are you effectively communicating what your employees can do to manage their health and use healthcare wisely? Milliman can help develop a customized communication strategy that melds your overall business objectives with your key message. We can develop appropriate web content, print materials, videos, presentations, and trainer toolkits, as well as

conduct employee surveys or focus group meetings to gauge your communications strategy.

Outsourcing

We offer the full range of health and welfare plan administrative outsourcing services, providing improved, streamlined processes. Our knowledgeable consultants will maintain the systems and administrative expertise on your behalf, manage the enrollment and billing process, and assist employees with self-education.

Regulatory compliance

Milliman can help you and your legal advisor with health plan requirements from the US Departments of Labor and Health and Human Services, the

IRS, and the CMS. Our consultants provide the actuarial and benefits perspectives on the regulations under ERISA, the tax code, COBRA, FMLA, USERRA, HIPAA, and PHSA.

RESEARCH AND TOOLS

Milliman is without peers in conducting front-line industry research and developing state-of-the-art tools that provide fresh approaches and practical solutions for our clients. Our models simulate the financial workings of your plans, allowing you to make better decisions about the variables affecting your programs. You can ask "what if" questions and get immediate feedback to plan design changes or demographic shifts.

Research and Tools

Health Cost Guidelines™	Estimates expected medical claim costs and utilization rates for specific healthcare services
Hospital Efficiency Index™	Measures individual hospital efficiency relative to those with the shortest length of stay, and compares case-mix severity adjusted relative charge levels by provider
Health Cost Index and Report™	Measures healthcare cost increases per capita for the overall US population (excluding Medicare), and presents cost trends and forecasts on a quarterly basis
Medical Index	Measures annual medical cost trends, benefit cost sharing, and cost and trend drivers for a "typical family of four"
Group Health Insurance Survey	Compares managed care organizations' rate levels and experience based on a uniform population and benefit design on an annual basis
MedInsight®	Provides comprehensive health plan data warehousing and performance reporting for financial and medical management
Care Guidelines®	Describes clinical best practices for treating common conditions in a variety of care settings
Medical Underwriting Guidelines	Provides a consistent basis for determination of relative medical risks
Consumer Directed Rating Tool	Estimates the financial impact of offering health savings products that combine catastrophic coverage with personal spending accounts
Claim Reserve Estimation Workbook	Develops reserve estimates using historical, client-specific claims and exposure data
Long-term Care Employer Model	Explores some options and associated costs in the development of a true group long-term care insurance product



A MILLIMAN GLOBAL FIRM



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ABOUT MILLIMAN

For over 50 years, Milliman has pioneered strategies, tools and solutions worldwide. One of the largest consulting and actuarial firms in the United States, we are recognized leaders who have helped shape significant changes in the markets we serve. Milliman insight reaches across global boundaries and multiple industries, offering specialized consulting services in healthcare, employee benefits, life insurance and financial services, and property and casualty insurance. Within these, Milliman consultants serve a wide range of current and emerging markets, with highly personalized

service and a unique combination of actuarial and business expertise. With offices in principal cities worldwide, Milliman combines global experience with local knowledge. We can help you be prepared to operate in new markets, expand beyond your boundaries and understand how your industry is affected by developments around the world. Milliman is also a founding member of Milliman Global, an international organization of independent consulting firms serving insurance, employee benefits and healthcare clients worldwide.