Health Care Actuals
FY07 Review

November 13, 2007
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# UA Health Care

## Defined Contribution Summary - Combined Plans

**Comparison with Prior Years**

<table>
<thead>
<tr>
<th>Costs</th>
<th>FY06 Totals</th>
<th>FY07 Totals</th>
<th>FY07 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Claims Cost Health and Pharmacy</td>
<td>41,368,334.18</td>
<td>45,764,244.97</td>
<td>10.63%</td>
</tr>
<tr>
<td>Vision Insurance Premium</td>
<td>417,132.00</td>
<td>397,012.56</td>
<td>-4.82%</td>
</tr>
<tr>
<td>Admin Cost - Health and Pharmacy</td>
<td>2,687,404.23</td>
<td>2,172,812.88</td>
<td>-18.54%</td>
</tr>
<tr>
<td>Cobra Outsourcing</td>
<td>39,637.29</td>
<td>21,377.32</td>
<td>-46.07%</td>
</tr>
<tr>
<td>Wellness</td>
<td>573,111.72</td>
<td>899,099.88</td>
<td>56.88%</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td>45,063,619.40</td>
<td>49,254,547.60</td>
<td>9.30%</td>
</tr>
<tr>
<td>Recoveries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cobra Health</td>
<td>(202,139.42)</td>
<td>(284,194.24)</td>
<td>40.59%</td>
</tr>
<tr>
<td><strong>Total Recoveries</strong></td>
<td>(202,139.42)</td>
<td>(284,194.24)</td>
<td>40.59%</td>
</tr>
<tr>
<td><strong>Net Cost</strong></td>
<td>44,861,479.98</td>
<td>48,970,353.36</td>
<td>9.16%</td>
</tr>
</tbody>
</table>

### University Commitment:

- Yearly Defined Contribution Rate: 9,130.44 / 10,682.64 = 17.00%
- Average number of employees: 4,355 / 4,432 = 1.77%
- University Obligation: 39,763,066.20 / 47,345,400.48 = 19.07%
- UA obligation as percentage of total cost: 88.24% / 96.12% = 90.72%
- UA obligation as percentage of total net cost: 88.64% / 96.65% = 91.42%

**Employee Recovery Needed (before PY adj's)**

- 5,098,413.78 / 1,624,892.88 = -88.13%

**Employee cost (before PY adj) as % of total cost**

- 11.31% / 3.30% = 3.45%

**Employee cost (before PY adj) as % of total net cost**

- 11.36% / 3.32% = 3.43%

### Prior Year Adjustments

- Net (Over)Under Recovery from prior FY: 878,719.04 / (3,548,942.74) = -503.64%

### Net Employee/Dependent Recovery Needed

- 5,977,132.82 / (1,921,949.86) = -132.16%

**Employee Recovery Received/Projected Note 7**

- (5,654,536.82) / (2,909,207.45) = -49.55%

**Spouse/Dependent Recovery**

- (3,869,439.74) / (1,060,439.37) = -72.59%

**Total Recovery**

- (9,523,975.56) / (3,969,648.82) = -59.32%

**Employee Net (Over) Under Recovery**

- (3,546,842.74) / (5,891,596.68) = 58.11%
Total Wellness Costs for FY07

HRA and Coaching costs $347,043.48
HRA Incentives 296,500.00
Start Walking Program 13,681.40
WIN Alaska Program 241,875.00
Total $899,099.88
Administrative Vendor Rate for FY07 (per month, per employee)

- Health (BCBS): $41.47
- Pharmacy (PharmaCare): $0.19
- Vision (VSP):
  - Deluxe: $14.34
  - Standard/Economy: $6.99
- COBRA (LifeWise): $0.40