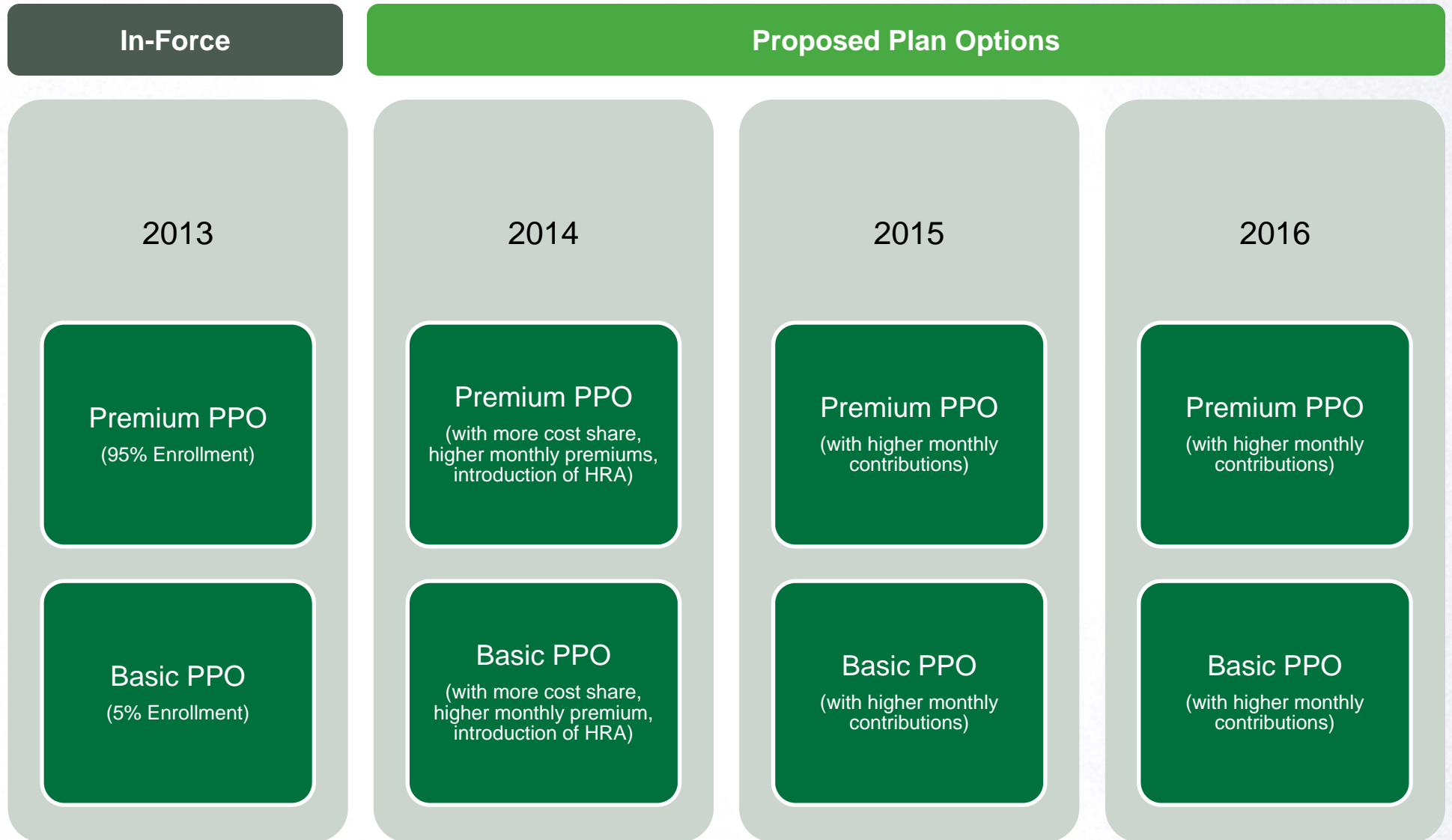


News Media Guild
ASSOCIATED PRESS: HEALTHCARE COUNTER PROPOSAL

PRESENTED BY:
SAM CAMENS AND MIRIAM SENFT



PROPOSED MEDICAL PLAN OPTIONS



PROPOSED PREMIUM PLAN CHANGES (95% ENROLLMENT)

Premium Plan	Current 2013		Proposed 2014 / 2015 / 2016	
	In-Network	Out-of-Network	In-Network	Out-of-Network
In-network Deductible (Individual / Family)	\$150 / \$300	\$400 / \$800	\$500 / \$1,000	\$1,000 / \$2,000
HRA Funding (after first \$250/\$500, funding contigent on wellness activities)	N/A	N/A	\$250 / \$500	N/A
Coinsurance	100%	70%	100%	70%
OOP Max (includes deductible, beginning 2014 copays as well)	N/A	\$2,000 / \$4,000	N/A	\$2,400 / \$4,800
Copay (Primary / Specialist)	\$20 / \$30	Deductible and Coinsurance	\$20 / \$40	Deductible and Coinsurance
ER Copay	\$75	\$75	\$150	\$150
Retail Rx - Generic	\$7		\$10	
Retail Rx - Brand	\$16	N/A	\$30	N/A
Retail Rx - Brand (Non-Preferred)	\$22		\$50	
Rx OOP Max	N/A	N/A	N/A	N/A

PROPOSED BASIC PLAN CHANGES (5% ENROLLMENT)

Basic Plan	Current 2013		Proposed 2014 / 2015 / 2016	
	In-Network	Out-of-Network	In-Network	Out-of-Network
In-network Deductible (Individual / Family)	\$350 / \$700	\$1,000 / \$2,000	\$800 / \$1,600	\$2,000 / \$4,000
HRA Funding (after first \$250/\$500, funding contigent on wellness activities)	N/A	N/A	\$250 / \$500	N/A
Coinsurance	90%	70%	90%	70%
OOP Max (includes deductible, beginning 2014 copays as well)	\$2,000 / \$4,000	\$5,000 / \$10,000	\$2,000 / \$4,000	\$4,000 / \$9,000
Copay (Primary / Specialist)	\$20 / \$30	Deductible and Coinsurance	\$20 / \$40	Deductible and Coinsurance
ER Copay	\$100	\$100	\$150	\$150
Retail Rx - Generic	\$7		\$10	
Retail Rx - Brand	\$16	N/A	\$30	N/A
Retail Rx - Brand (Non-Preferred)	\$22		\$50	
Rx OOP Max	N/A	N/A	N/A	N/A

PROPOSED 2014 EU & TU MEDICAL CONTRIBUTIONS

Editorial Unit Monthly Employee Medical Contributions (2014, 2015)

	2013	2014	2015
	2013 EU Monthly Contributions	2014 Monthly Contributions % Change from '13 to '14	2015 Monthly Contributions % Change from '14 to '15
Premium			
EE	\$75.48	\$94.35 25%	\$101.90 8%
EE + Spouse	\$207.60	\$259.50 25%	\$280.26 8%
EE + Child	\$121.20	\$151.50 25%	\$163.62 8%
Family	\$304.74	\$380.93 25%	\$411.40 8%
Basic / Traditional			
EE	\$72.24	\$78.02 8%	\$84.26 8%
EE + Spouse	\$189.41	\$204.56 8%	\$220.93 8%
EE + Child	\$110.59	\$119.44 8%	\$128.99 8%
Family	\$278.05	\$300.29 8%	\$324.32 8%
CDHP			
EE	N/A		
EE + Spouse	N/A		
EE + Child	N/A		
Family	N/A		

CDHP off the table

Technology Unit Monthly Employee Medical Contributions (2014, 2015)

	2013	2014	2015
	2013 TU Monthly Contributions	2014 Monthly Contributions % Change from '13 to '14	2015 Monthly Contributions % Change from '14 to '15
Premium			
EE	\$41.81	\$52.26 25%	\$56.44 8%
EE + Spouse	\$112.48	\$140.60 25%	\$151.85 8%
EE + Child	\$86.15	\$107.69 25%	\$116.30 8%
Family	\$177.26	\$221.58 25%	\$239.30 8%
Basic / Traditional			
EE	\$38.46	\$41.54 8%	\$44.86 8%
EE + Spouse	\$75.37	\$81.40 8%	\$87.91 8%
EE + Child	\$53.92	\$58.23 8%	\$62.89 8%
Family	\$110.85	\$119.72 8%	\$129.30 8%
CDHP			
EE	N/A		
EE + Spouse	N/A		
EE + Child	N/A		
Family	N/A		

CDHP off the table

Note: 2016 contributions to increase at least 5% but no more than 8%.

PROPOSED WORKING SPOUSE COVERAGE

Proposal

- Offer \$1,000/year opt-out credit for working spouses

Market Data (No Coverage / Surcharges)

- **Will not cover spouses?**
 - All employers = 7%
 - Large employers = 6%
 - 1,000-4,999 = 7%
- **Require spousal surcharge?**
 - All employers = 2%
 - Large employers = 6%
 - 1,000-4,999 = 7%

Market Data (Opt-out Credit)

- **Percentage of employers offering employees who waive coverage a cash benefit?**
 - All employers = 11%
 - Large employers = 16%
 - 1,000-4,999 = 16%
- **Average cash benefit to leave the plan?**
 - All employers = \$2,506
 - Large employers = \$1,228
 - 1,000-4,999 = \$1,057
- **Average percentage of employees waiving coverage?**
 - All employers = 21%
 - Large employers = 16%
 - 1,000-4,999 = 16%

PROPOSED WELLNESS FRAMEWORK

- **Senior Leadership & Support:**

- Creation of a mission statement
- Development of a visual leader

- **Dynamic Incentive Program:**

- Earn “HRA bucks” through preventive wellness activities:
 - Biometric screening, Health Risk Assessment, Health Coach – (Up to \$250 for an individual and \$500 for a family, if both employee and spouse/domestic partner completes activities)
- Earn “Well-bucks” through initiatives (gift-cards):
 - Weight-loss competitions, walking campaigns, stress-management, financial wellness drives, etc.
- Earn incentives through a reimbursement program:
 - Health Club Membership (\$\$\$ can vary by locations)
 - Nutrition Counseling (\$100 per year)
 - Organized Activity / Sports League (\$100 per year)
 - Tobacco Cessation (\$750 lifetime benefit)
 - Bicycle Commuting Expenses (up to \$240 per year)

- **Grass Roots Support:**

- Create diversified wellness committee
- Identify and engage local wellness champions/coordinators to develop campaigns and drive engagement
- Allow for local customization of campaigns

- **Use Technology to Drive Community Experience:**

- Utilize WellCall for health activities
- Evaluate other platforms for “gameification”
- Create community feel with disparate employee locations

- **Develop a Communication Plan**

- Leadership driven
- Personalized messages
- Wellness teams
- Share employee testimonials

- **Track Results / Develop Success Metrics**

- Develop programs that can be tracked and measured o
- Create success metrics
- Communicate with employees around success metrics

*“Our statistical analyses suggest that participation in a wellness program over five years is associated with a trend toward lower health care costs and decreasing health care use. We estimate the average annual difference to be \$157, but the change **is not statistically significant.**”*

RAND Health, Workplace Wellness Programs Study, 2013.

Sponsored by the U.S. Department of Labor and U.S. Department of Health and Human Services

COUNTER PROPOSAL RECAP

Medical / Wellness

- Continue Premium and Basic plan offerings (with increased cost sharing and higher contributions)
 - Engage employees with more first dollar coverage
- Implement a robust Wellness program over a three year project plan
 - Additional content can be provided on development of the wellness program and associated policies and procedures
 - Suggest surveying employees to understand their needs
 - Outcome based wellness program delayed until further clarification on regulations and clinical studies

Prescription Drugs

- Rx program continues as copay plan (with increased copay amounts)

Contributions

- 2014: Premium plan pricing adjustment; Basic plan medical trend increase
- 2015: Medical trend increase for both plans
- 2016: Increase of at least 5% but no more than 8%

Spousal Coverage

- Implement working spouse opt-out incentive of \$1,000/per year

Vision

- Proposed plan design accepted



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