
FINANCIAL TERMS & RATES

HMO Rates

We ask that you provide rate quotes for your HMO options on the following bases. Rates should be quoted for the period 1/1/08-12/31/08. You will offer two HMOs, a narrow network HMO, and a broad network HMO. Rates for the respective plans and tiers should be self supporting. If you are willing to provide not-to-exceed caps for 2009 and 2010, indicate the not-to-exceed cap you would offer. We are asking you to quote on the following bases:

- 1. You offer broad and narrow network HMO plans and these are the only HMOs offered to City employees. The drug benefit is carved out.**

Humana is happy to provide the City of Milwaukee employees and retirees the choice between a broad network HMO known as the Premier HMO or the narrow network HMO known as HMO Select. Benefits for both networks will be identical. The HMO Select network is the High Performance Network offered only to the City of Milwaukee as a Business Health Care Group member of the Milwaukee coalition in Southeast Wisconsin.

Humana is providing a quote based on the following:

- An insured HMO with Medical costs included and Pharmacy costs carved out,
- An insured HMO with Medical and Pharmacy costs included,
- An insured HMO with Medical and Pharmacy costs carved out and provided as a PBM on a self-insured basis.

- 2. You offer broad and narrow network HMO plans and the City offers another HMO (broad/narrow or only network only). The drug benefit is carved out.**

Humana is not offering a quote option with the Humana HMO networks offered along side another HMO at this time. Humana reserves the right to review the other HMO carrier and the detailed contribution strategy surrounding this request.

- 3. Please complete a rate sheet for each combination that you quote.**

Humana is releasing this renewal with very limited claims data on their books. As a result, we will review claims data, which will emerge in future months, again in September. At that time, should the emerging experience improve, Humana will revise their 18.9% offer to a lower amount consistent with the experience improvement.

- 4. Describe any restrictions you may have on your rates regarding the City changing its contribution design during the contract period, including the cost to lift any restrictions.**

Humana reserves the right to re-evaluate the proposed rates and position in the event of any changes in contribution design during the contract period. From an employer contribution standpoint, the provided quote is contingent on the selection of the HMO Select network being the favored network.

- If the actual HMO enrollment varies by more than 10%, Humana reserves the right to re-evaluate the proposed rates.
- Humana is not willing to provide a Year 2009 or Year 2010 rate cap at this time.

City of Milwaukee
Rates if Your HMOs are the Only Options Offered
Rates Effective January 1st 2008
Drug benefit is carved out

Rate	Premier HMO	HMO Select
Active Rates		
Single	\$816.65	\$438.75
Family	\$2,229.44	\$1,198.08
Retiree Rates		
Single without Medicare	\$790.04	\$594.38
Family without Medicare	\$2,156.74	\$1,622.61
One with Medicare	\$497.10	\$478.84
Two with Medicare	\$994.21	\$957.62
One with Medicare & One without Medicare	\$1,128.92	\$1,087.43
One with Medicare, One without Medicare & Dependent children	\$1,590.13	\$1,533.53
Two with Medicare & Dependent children	\$1,455.42	\$1,403.72
One without Medicare & Dependent children	\$1,724.84	\$1,661.57
One with Medicare & Dependent children	\$1,590.13	\$1,533.53

*"With Medicare" means having both parts of Medicare, Hospital (Part A) and Medical (Part B)

1. Describe any caps you are willing to offer on rate increases in 2009 or 2010.

Humana is not offering a subsequent-year rate cap at this time.

City of Milwaukee

Rates if Your HMO Options are offered Along Side another HMO

Rates Effective January 1st 2008

Drug Benefits are carved out

Rate	Premier HMO	HMO Select
Active Rates	N/A	N/A
Single	N/A	N/A
Family	N/A	N/A
Retiree Rates	N/A	N/A
Single without Medicare	N/A	N/A
Family without Medicare	N/A	N/A
One with Medicare	N/A	N/A
Two with Medicare	N/A	N/A
One with Medicare & One without Medicare	N/A	N/A
One with Medicare, One without Medicare & Dependent children	N/A	N/A
Two with Medicare & Dependent children	N/A	N/A
One without Medicare & Dependent children	N/A	N/A
One with Medicare & Dependent children	N/A	N/A

*“With Medicare” means having both parts of Medicare, Hospital (Part A) and Medical (Part B)

Humana is not offering a quote option with the Humana HMO networks offered along side another HMO at this time. Humana reserves the right to review the other HMO carrier and the detailed contribution strategy surrounding this request.

1. Describe any caps you are willing to offer on rate increases in 2009 or 2010

This is not applicable, as Humana is not offering a quote option with the Humana HMO networks offered along side another HMO at this time.

City of Milwaukee
Rates if Your HMOs are the Only Options Offered
Rates Effective January 1st 2008
Drug benefit is not carved out

Rate	Premier HMO	HMO Select
Active Rates		
Single	\$1,004.16	\$537.82
Family	\$2,741.32	\$1,468.60
Retiree Rates		
Single without Medicare	\$971.44	\$728.59
Family without Medicare	\$2,651.92	\$1,988.99
One with Medicare	\$611.24	\$586.96
Two with Medicare	\$1,222.47	\$1,173.85
One with Medicare & One without Medicare	\$1,388.12	\$1,332.97
One with Medicare, One without Medicare & Dependent children	\$1,955.23	\$1,879.79
Two with Medicare & Dependent children	\$1,789.58	\$1,720.67
One without Medicare & Dependent children	\$2,120.87	\$2,036.75
One with Medicare & Dependent children	\$1,955.23	\$1,879.79

*"With Medicare" means having both parts of Medicare, Hospital (Part A) and Medical (Part B)

1. Describe any caps you are willing to offer on rate increases in 2009 or 2010

Humana is not offering a subsequent-year rate cap at this time.