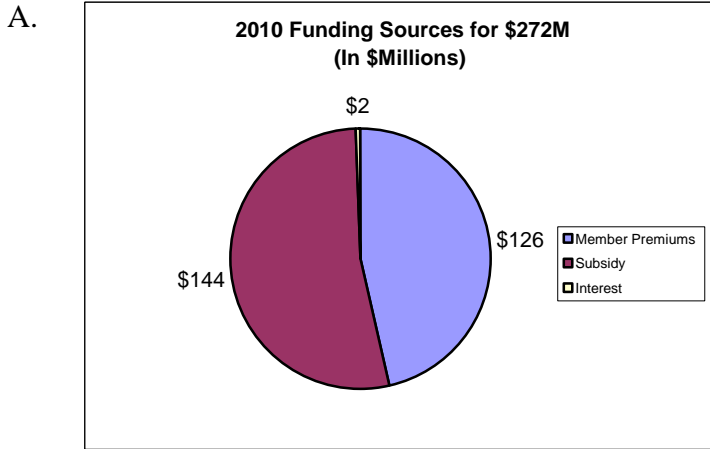
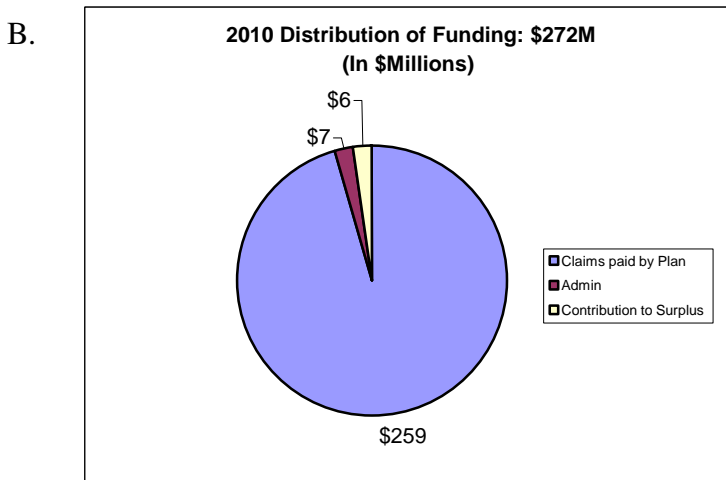


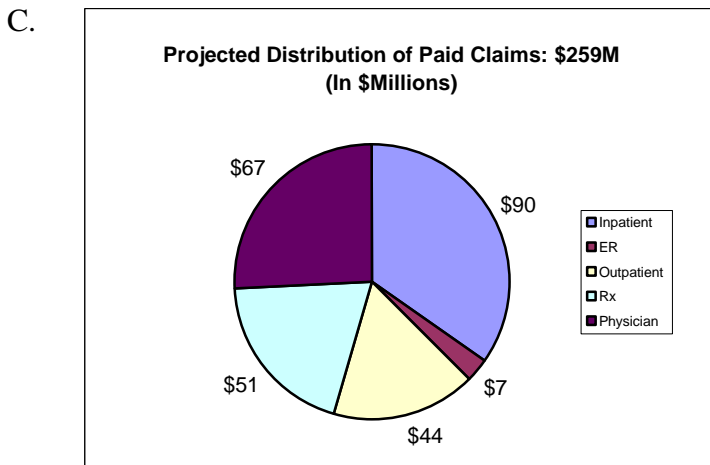
Flow of Funds for a Potential High-Risk Pool in Ohio Year 2010 Based on Best Estimate Projections



Slide A. In year 5 of the program, 53% of program funding will come from a subsidy. Total funding will be \$272M.

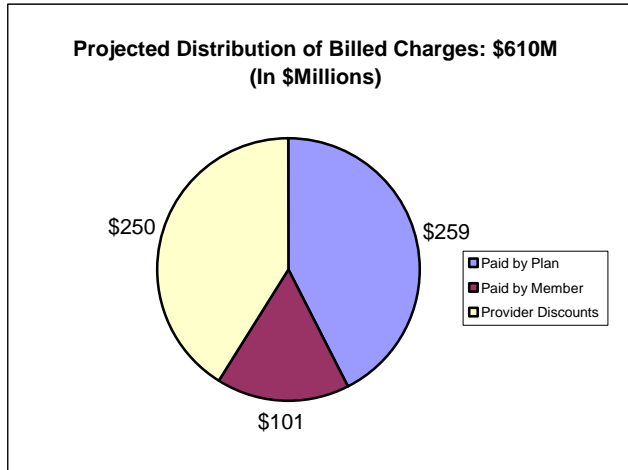


Slide B. The \$272M in Slide A will fund claims, admin, and surplus (reserves). Ninety-five percent of funding will pay for claims. The claim administration is projected to cost \$5.0M, and other admin is projected to cost \$1.7M, for a total of \$6.7M in administration expenses. The surplus, or reserve, will consume the remaining funds.



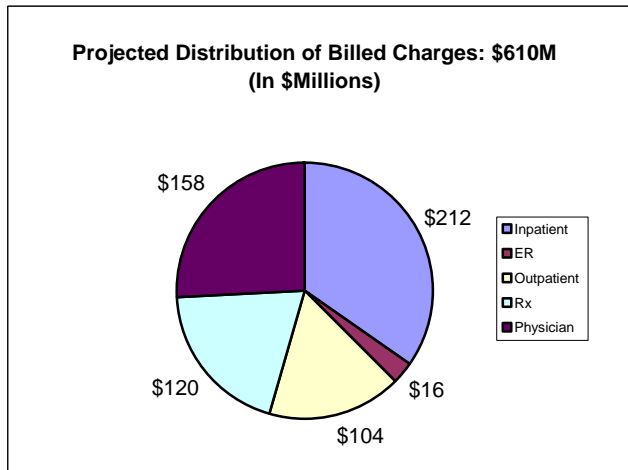
Slide C displays how the \$259M in claim costs from Slide B will be distributed by service type. Categories labeled Inpatient, ER, and Outpatient represent hospital facility claims. This distribution is based on existing high-risk pool experience.

D.



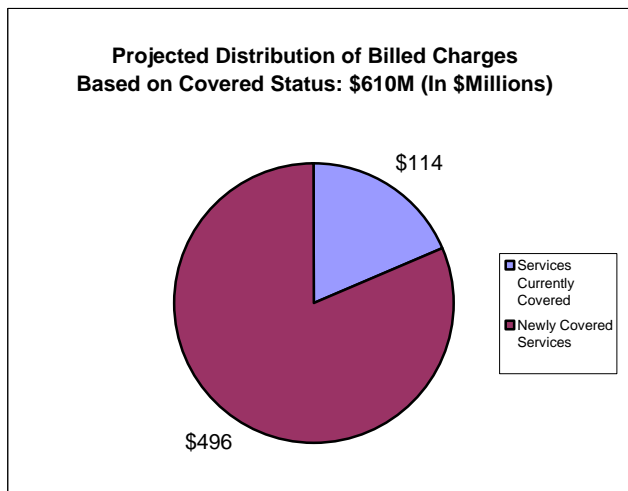
Slide D converts the \$259M of claims paid by the plan from Slide C into billed charges of \$610M. Based on existing high-risk pool experience, members will pay 28% of the “allowed,” or negotiated cost of services. Average provider discounts will be 41% off of billed charges.

E.



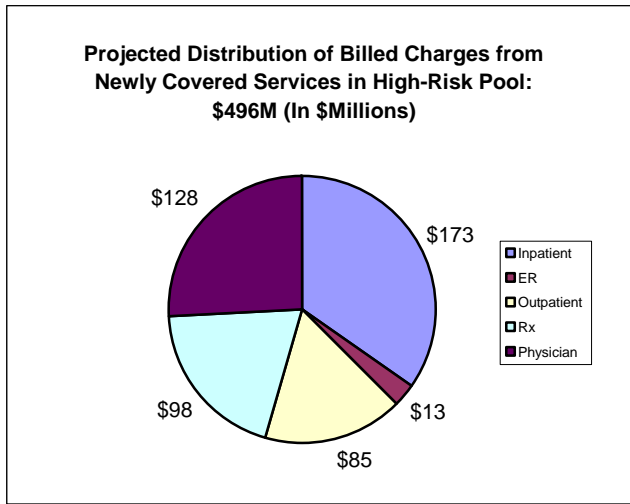
Slide E displays how the \$610M of billed charges from Slide D would be distributed by service type. We applied the same distribution for paid claims as for billed charges.

F.



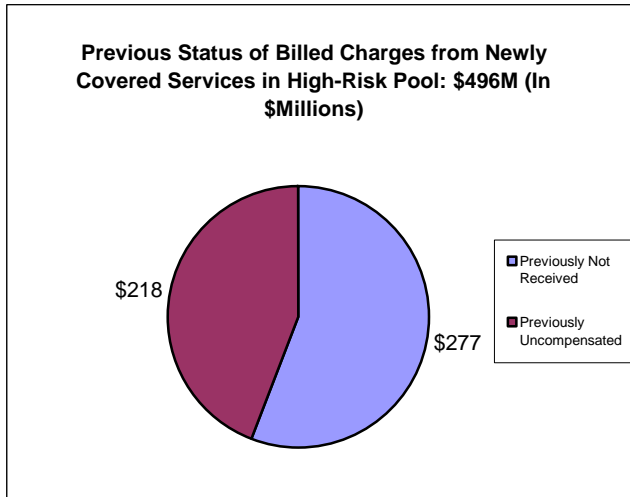
Slide F. Of the \$610M billed charges displayed in Slide E, \$84M is being covered by current open enrollment members and \$30M is being covered by self-pay patients; therefore, a total of \$114M in billed charges would be covered under the current system. The remaining \$496M of billed charges represents services that would not be covered if a high-risk pool were not implemented.

G.



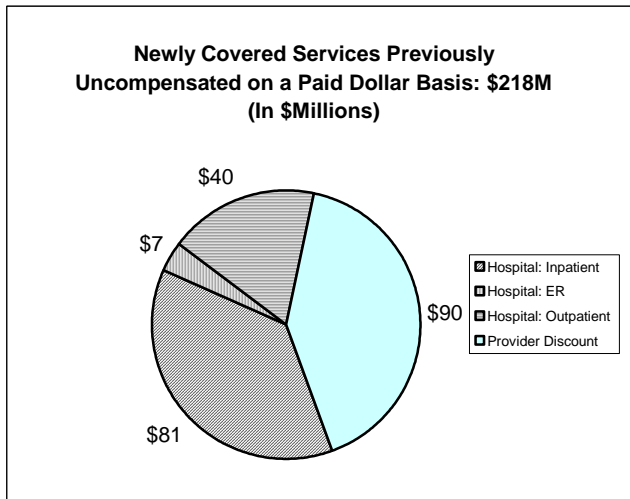
Slide G summarizes the \$496M of billed charges from newly covered services within a high-risk pool.

H.



Slide H. Of the \$496M of billed charges from new payers, \$277M would have not been received by uninsured people, and \$218M would have been received and uncompensated. We assumed that no physician or Rx claims would have been incurred as uncompensated care (they require payment or insurance verification prior to administering care). We also assumed that 100% of the ER visits and 80% of IP and OP hospital services would have been received but would have been uncompensated.

I.



Slide I. Of the \$218M in billed charges due to care that was previously uncompensated, a total of \$129M is expected to be paid to hospitals by the plan and members; the other \$90M represents provider discounts off of billed charges.

New Money Paid with a High-Risk Pool Year 2010

| <u>Provider</u> | <u>Status</u> | <u>New Money*</u> |
|-----------------|--------------------------|-------------------|
| Hospitals | Previously Uncompensated | \$129M |
| Hospitals | New business | \$30M |
| Physicians | New business | \$76M |
| Rx | New business | \$58M |
| <hr/> | | |
| Total | | \$293M |

* Payment would be a combination of funds paid by the plan and cost-sharing paid by members