

March 20, 2003

TO: Thompson Management Co  
From: Dan Hanley, Health Insurance Advisors

Re: The next step in Health plan selection

Thanks for the time we spent meeting last Thursday, March 15. I know we agreed to meet today, Tuesday, March 20<sup>th</sup> at 10am but I'm having serious questions as to what we might accomplish at this meeting in the absence of direct feedback from you.

I've run the numbers in various ways over the weekend. I have to say I was hoping you or someone from your office would have called as a follow up to our previous meeting based on our discussion and the information from the various carriers that I presented to you.

I really need to know exactly what your willing to do to reduce monthly premiums.. This exercise is not worthless, as shown in one of the spreadsheets I presented to you, the resulting difference could result in a *savings of as much as \$4,000 per month.*

But nothing comes without a give up. I need your help to find out what you and your employees are willing to forego in order to accomplish this.

Here are some key items:

- Hospital deductibles are a common way to reduce monthly premiums. These can range from \$500 to \$2,000 and the premium is lowered accordingly.
- Higher co-pays at the doctor's office and for Rx are another.
- Are you willing to go the 'Gatekeeper' Plan vs.an 'Open Access" program., i.e. having your employees neccesarily check with a 'primary care physician' in order to see a specialist?
- Do you want an 'out of network' privilege or would the particular carrier's own network suffice in providing care.

- Would you be willing to look at different programs for the various corporate entities, lowering costs but not necessarily benefits, given the demographic/gender splits of the companies?

Yes, we can save you and your employees money by tailoring making this project. However, I can only do that with some feedback from you on these items.

The whole point in doing this is to be able to supply you with a flexible, evolving plan that meets your needs by providing optimum cost effective benefits. This will result in your not having to pay insurance premiums for services that you are willing to forego.

Beyond these quantitative choices, there is another element to consider and that is the *intangible, qualitative difference among carriers*. Besides the numbers, I help my clients look at surveys of insurance clients (patients) and doctors in helping to choose a carrier. Some of this involves the feedback, our company, Health Insurance Advisors, receives regarding carriers from existing clients as well as other insurance brokers.

Nothing more I can add at the moment except to let you know I'm at your service.