

Pricing Narrative

The following is a description of the actuarial methods and assumptions used to determine PacificSource Health Plans' small group plan relative factors. These methods and assumptions have been incorporated into a cost model designed to quantify the relative value of differences in plan design or coverage.

Explanation of Confidentiality

The pricing narrative and plan pricing exhibits are confidential and proprietary because release of this information would have an anticompetitive effect. If information on our specific experience, contracting, and rating methodologies was made publicly available, other carriers would be able to structure rates as to push PacificSource out of the market. A market with fewer options would negatively impact the consumer.

Cost Model

Base Utilization & Unit Costs

The cost model uses PacificSource's own claim data to reflect plan-wide cost and utilization. Used in conjunction with anticipated changes in provider contracting agreements and plan selection patterns, the model is intended to determine the relative cost between benefit plans.

Utilization Adjustments

In order to determine the relative expected costs by plan design (plan factors), the cost model adjusts utilization levels to reflect the impact of member cost sharing provisions (deductibles, copays, coinsurance). These adjustments are in recognition of higher general utilization levels when member cost sharing is low and lower general utilization levels when member cost sharing is high.

Member Cost Sharing

In order to quantify member cost sharing by benefit plan, we first calculated the value of copays and coinsurance assuming no deductible or coinsurance limit (gross member cost-sharing). We then determined the percentage of total claims costs below the deductible and above the coinsurance limit. These percentages were then applied to the gross member cost sharing to develop the net member cost-sharing amount.

In order to calculate the gross member cost sharing, we multiplied the plan adjusted utilization rate times the average per service cost sharing amount. To determine the average per service cost sharing amount for benefits involving coinsurance, we simply used the average unit cost multiplied by the in-network coinsurance rate. For benefits involving copays, we simply used the per service copay amount.

In order to calculate the impact of deductible and coinsurance limits we used cumulative probability distributions (CPDs). We adjusted the gross member cost sharing value based on the expected percentage of total costs above the deductible and coinsurance limits. The deductible was valued as the percent of expected claim costs below the deductible multiplied by the expected net claim costs (claims less copay and coinsurance). Only the cost of services subject to the deductible was included

in the valuation of the deductible. The coinsurance limit adjustment was calculated as the percentage of claims expected to be above the coinsurance limit multiplied by the gross member cost sharing.

Since certain service categories are sometimes excluded from deductibles and coinsurance limits, we used three sets of CPDs; one including medical services and prescription drugs, one including only medical services, and one excluding physician services and prescription drugs.

Plan Relativities

Expected claims costs for base medical benefits were calculated using the cost model. Plan factors were calculated by dividing the total expected claim costs for each individual plan design by the expected claim costs for the Preferred 25/200D plan.

GAR Rates

The Geographic Average Rates were determined by multiplying the base rates by 1.21, which is equivalent to the arithmetic average of the highest and lowest age factors.

**PacificSource Health Plans
Oregon State Plan Pricing Exhibit**

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: BASIC PLAN

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$54.47
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$53.10
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$90.58
Other					
Ambulance					
DME					
Other					
Other Total:					\$4.90

Plan Cost Share PMPM: \$203.06

Deductible Adjustment: \$0.00
 OOP Adjustment: \$25.14

Projected Claims Cost	\$228.19	81.70%
Administration	\$22.50	8.06%
Portability/OMIP	\$5.90	2.11%
Commissions	\$14.32	5.13%
Margin	\$8.38	3.00%

Plan Cost PMPM: \$279.29

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 300+35/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$72.26
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$65.52
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$86.28
Other					
Ambulance					
DME					
Other					
Other Total:					\$6.50

Plan Cost Share PMPM: \$230.56

Deductible Adjustment: (\$13.85)
 OOP Adjustment: \$10.27

Projected Claims Cost	\$226.98	81.64%
Administration	\$22.50	8.09%
Portability/OMIP	\$5.90	2.12%
Commissions	\$14.32	5.15%
Margin	\$8.34	3.00%

Plan Cost PMPM: \$278.04

**PacificSource Health Plans
Oregon State Plan Pricing Exhibit**

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 500+35/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$70.87
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$64.26
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$84.51
Other					
Ambulance					
DME					
Other					
Other Total:					\$6.38

Plan Cost Share PMPM:	\$226.02	
Deductible Adjustment:	(\$20.55)	
OOP Adjustment:	\$9.93	
Projected Claims Cost	\$215.39	80.95%
Administration	\$22.50	8.46%
Portability/OMIP	\$5.90	2.22%
Commissions	\$14.32	5.38%
Margin	\$7.98	3.00%
Plan Cost PMPM:	\$266.09	

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 750+35/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$69.48
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$63.00
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$82.73
Other					
Ambulance					
DME					
Other					
Other Total:					\$6.25

Plan Cost Share PMPM:	\$221.46	
Deductible Adjustment:	(\$27.38)	
OOP Adjustment:	\$8.10	
Projected Claims Cost	\$202.19	80.08%
Administration	\$22.50	8.91%
Portability/OMIP	\$5.90	2.34%
Commissions	\$14.32	5.67%
Margin	\$7.57	3.00%
Plan Cost PMPM:	\$252.49	

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 1000+35/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$68.10
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$61.74
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$80.97
Other					
Ambulance					
DME					
Other					
Other Total:					\$6.13

Plan Cost Share PMPM: \$216.93

Deductible Adjustment: (\$32.97)
 OOP Adjustment: \$6.59

Projected Claims Cost	\$190.54	79.24%
Administration	\$22.50	9.36%
Portability/OMIP	\$5.90	2.45%
Commissions	\$14.32	5.95%
Margin	\$7.21	3.00%

Plan Cost PMPM: \$240.48

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 1500+35/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$66.71
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$60.48
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$79.19
Other					
Ambulance					
DME					
Other					
Other Total:					\$6.00

Plan Cost Share PMPM: \$212.37

Deductible Adjustment: (\$41.96)

OOP Adjustment: \$6.22

Projected Claims Cost	\$176.63	78.11%
Administration	\$22.50	9.95%
Portability/OMIP	\$5.90	2.61%
Commissions	\$14.32	6.33%
Margin	\$6.78	3.00%

Plan Cost PMPM: \$226.14

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 2000+35/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$65.32
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$59.22
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$77.41
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.88

Plan Cost Share PMPM: \$207.82

Deductible Adjustment: (\$48.85)

OOP Adjustment: \$4.01

Projected Claims Cost	\$162.97	76.85%
Administration	\$22.50	10.61%
Portability/OMIP	\$5.90	2.78%
Commissions	\$14.32	6.75%
Margin	\$6.36	3.00%

Plan Cost PMPM: \$212.05

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 2500+35/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$65.32
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$59.22
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$77.35
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.88

Plan Cost Share PMPM: \$207.76

Deductible Adjustment: (\$56.32)

OOP Adjustment: \$3.20

Projected Claims Cost \$154.63 76.00%

Administration \$22.50 11.06%

Portability/OMIP \$5.90 2.90%

Commissions \$14.32 7.04%

Margin \$6.10 3.00%

Plan Cost PMPM: \$203.46

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 3000+35/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$62.54
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$56.70
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$73.89
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.63

Plan Cost Share PMPM: \$198.75

Deductible Adjustment: (\$59.63)

OOP Adjustment: \$3.00

Projected Claims Cost \$142.12 74.58%

Administration \$22.50 11.81%

Portability/OMIP \$5.90 3.10%

Commissions \$14.32 7.51%

Margin \$5.72 3.00%

Plan Cost PMPM: \$190.56

PacificSource Health Plans

Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 5000+35/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$62.54
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$56.70
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$74.07
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.63

Plan Cost Share PMPM: \$198.93

Deductible Adjustment: (\$76.90)

OOP Adjustment: \$2.72

Projected Claims Cost \$124.76 72.26%

Administration \$22.50 13.03%

Portability/OMIP \$5.90 3.42%

Commissions \$14.32 8.29%

Margin \$5.18 3.00%

Plan Cost PMPM: \$172.66

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 7500+35/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$62.54
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$56.70
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$75.18
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.63

Plan Cost Share PMPM: \$200.04

Deductible Adjustment: (\$91.65)
 OOP Adjustment: \$2.41

Projected Claims Cost	\$110.81	70.01%
Administration	\$22.50	14.22%
Portability/OMIP	\$5.90	3.73%
Commissions	\$14.32	9.05%
Margin	\$4.75	3.00%

Plan Cost PMPM: \$158.28

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 300+35/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$63.12
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$56.66
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$77.33
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.68

Plan Cost Share PMPM: \$202.79

Deductible Adjustment: (\$12.54)

OOP Adjustment: \$15.99

Projected Claims Cost \$206.24 80.36%

Administration \$22.50 8.77%

Portability/OMIP \$5.90 2.30%

Commissions \$14.32 5.58%

Margin \$7.70 3.00%

Plan Cost PMPM: \$256.66

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 500+35/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$61.91
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$55.57
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$75.73
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.57

Plan Cost Share PMPM: \$198.78

Deductible Adjustment: (\$18.59)

OOP Adjustment: \$15.26

Projected Claims Cost \$195.46 79.60%

Administration \$22.50 9.16%

Portability/OMIP \$5.90 2.40%

Commissions \$14.32 5.83%

Margin \$7.37 3.00%

Plan Cost PMPM: \$245.54

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 750+35/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$60.69
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$54.48
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$74.13
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.46

Plan Cost Share PMPM:	\$194.77	
Deductible Adjustment:	(\$24.72)	
OOP Adjustment:	\$11.92	
Projected Claims Cost	\$181.98	78.56%
Administration	\$22.50	9.71%
Portability/OMIP	\$5.90	2.55%
Commissions	\$14.32	6.18%
Margin	\$6.95	3.00%
Plan Cost PMPM:	\$231.65	

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 1000+35/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$59.48
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$53.39
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$72.54
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.35

Plan Cost Share PMPM:	\$190.76	
Deductible Adjustment:	(\$29.73)	
OOP Adjustment:	\$10.14	
Projected Claims Cost	\$171.17	77.63%
Administration	\$22.50	10.20%
Portability/OMIP	\$5.90	2.68%
Commissions	\$14.32	6.49%
Margin	\$6.62	3.00%
Plan Cost PMPM:	\$220.51	

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 1500+35/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$58.27
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$52.30
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$70.93
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.25

Plan Cost Share PMPM: \$186.74

Deductible Adjustment: (\$37.77)
 OOP Adjustment: \$9.60

Projected Claims Cost	\$158.57	76.41%
Administration	\$22.50	10.84%
Portability/OMIP	\$5.90	2.84%
Commissions	\$14.32	6.90%
Margin	\$6.23	3.00%

Plan Cost PMPM: \$207.52

**PacificSource Health Plans
Oregon State Plan Pricing Exhibit**

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 2000+35/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$57.05
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$51.21
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$69.34
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.14

Plan Cost Share PMPM: \$182.73

Deductible Adjustment: (\$43.93)
 OOP Adjustment: \$7.25

Projected Claims Cost	\$146.06	75.05%
Administration	\$22.50	11.56%
Portability/OMIP	\$5.90	3.03%
Commissions	\$14.32	7.36%
Margin	\$5.84	3.00%

Plan Cost PMPM: \$194.62

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 2500+35/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$57.05
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$51.21
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$69.28
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.14

Plan Cost Share PMPM: \$182.68

Deductible Adjustment: (\$50.55)

OOP Adjustment: \$5.62

Projected Claims Cost \$137.75 74.04%

Administration \$22.50 12.09%

Portability/OMIP \$5.90 3.17%

Commissions \$14.32 7.70%

Margin \$5.58 3.00%

Plan Cost PMPM: \$186.05

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 3000+35/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$54.63
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$49.03
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$66.30
Other					
Ambulance					
DME					
Other					
Other Total:					\$4.92

Plan Cost Share PMPM: \$174.88

Deductible Adjustment: (\$53.47)
 OOP Adjustment: \$5.16

Projected Claims Cost	\$126.57	72.52%
Administration	\$22.50	12.89%
Portability/OMIP	\$5.90	3.38%
Commissions	\$14.32	8.20%
Margin	\$5.24	3.00%

Plan Cost PMPM: \$174.53

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 5000+35/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$54.63
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$49.03
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$67.48
Other					
Ambulance					
DME					
Other					
Other Total:					\$4.92

Plan Cost Share PMPM: \$176.05

Deductible Adjustment: (\$68.55)

OOP Adjustment: \$4.32

Projected Claims Cost	\$111.82	70.19%
Administration	\$22.50	14.12%
Portability/OMIP	\$5.90	3.70%
Commissions	\$14.32	8.99%
Margin	\$4.78	3.00%

Plan Cost PMPM: \$159.32

**PacificSource Health Plans
Oregon State Plan Pricing Exhibit**

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 7500+35/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$54.63
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$49.03
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$68.48
Other					
Ambulance					
DME					
Other					
Other Total:					\$4.92

Plan Cost Share PMPM: \$177.05

Deductible Adjustment: (\$81.41)

OOP Adjustment: \$3.61

Projected Claims Cost \$99.26 67.81%

Administration \$22.50 15.37%

Portability/OMIP \$5.90 4.03%

Commissions \$14.32 9.78%

Margin \$4.39 3.00%

Plan Cost PMPM: \$146.37

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 300+50/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$71.53
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$64.85
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$81.45
Other					
Ambulance					
DME					
Other					
Other Total:					\$6.44

Plan Cost Share PMPM: \$224.27

Deductible Adjustment: (\$13.21)
 OOP Adjustment: \$10.16

Projected Claims Cost	\$221.22	81.30%
Administration	\$22.50	8.27%
Portability/OMIP	\$5.90	2.17%
Commissions	\$14.32	5.26%
Margin	\$8.16	3.00%

Plan Cost PMPM: \$272.10

**PacificSource Health Plans
Oregon State Plan Pricing Exhibit**

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 500+50/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
<u>Hospital Inpatient</u>					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$70.16
<u>Hospital Outpatient</u>					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$63.60
<u>Physician</u>					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$79.78
<u>Other</u>					
Ambulance					
DME					
Other					
Other Total:					\$6.31

Plan Cost Share PMPM:	\$219.85	
Deductible Adjustment:	(\$19.63)	
OOP Adjustment:	\$9.82	
Projected Claims Cost	\$210.05	80.61%
Administration	\$22.50	8.63%
Portability/OMIP	\$5.90	2.26%
Commissions	\$14.32	5.50%
Margin	\$7.82	3.00%
Plan Cost PMPM:	\$260.59	

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 750+50/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$68.78
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$62.36
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$78.09
Other					
Ambulance					
DME					
Other					
Other Total:					\$6.19

Plan Cost Share PMPM: \$215.42

Deductible Adjustment: (\$26.18)

OOP Adjustment: \$8.02

Projected Claims Cost \$197.26 79.73%

Administration \$22.50 9.09%

Portability/OMIP \$5.90 2.38%

Commissions \$14.32 5.79%

Margin \$7.42 3.00%

Plan Cost PMPM: \$247.40

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 1000+50/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$67.40
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$61.11
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$76.42
Other					
Ambulance					
DME					
Other					
Other Total:					\$6.07

Plan Cost Share PMPM: \$211.00

Deductible Adjustment: (\$31.57)
 OOP Adjustment: \$6.52

Projected Claims Cost	\$185.96	78.88%
Administration	\$22.50	9.54%
Portability/OMIP	\$5.90	2.50%
Commissions	\$14.32	6.07%
Margin	\$7.07	3.00%

Plan Cost PMPM: \$235.75

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 1500+50/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$66.03
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$59.86
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$74.74
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.94

Plan Cost Share PMPM: \$206.57

Deductible Adjustment: (\$40.23)
 OOP Adjustment: \$6.15

Projected Claims Cost	\$172.49	77.75%
Administration	\$22.50	10.14%
Portability/OMIP	\$5.90	2.66%
Commissions	\$14.32	6.45%
Margin	\$6.66	3.00%

Plan Cost PMPM: \$221.87

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 2000+50/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$64.65
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$58.61
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$73.05
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.82

Plan Cost Share PMPM: \$202.14

Deductible Adjustment: (\$46.88)

OOP Adjustment: \$3.97

Projected Claims Cost \$159.22 76.48%

Administration \$22.50 10.81%

Portability/OMIP \$5.90 2.83%

Commissions \$14.32 6.88%

Margin \$6.25 3.00%

Plan Cost PMPM: \$208.18

**PacificSource Health Plans
Oregon State Plan Pricing Exhibit**

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 2500+50/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$64.65
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$58.61
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$73.00
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.82

Plan Cost Share PMPM: **\$202.08**

Deductible Adjustment: (\$54.15)

OOP Adjustment: **\$3.17**

Projected Claims Cost **\$151.10** 75.62%

Administration **\$22.50** 11.26%

Portability/OMIP **\$5.90** 2.95%

Commissions **\$14.32** 7.17%

Margin **\$5.99** 3.00%

Plan Cost PMPM: \$199.82

**PacificSource Health Plans
Oregon State Plan Pricing Exhibit**

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 3000+50/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$61.90
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$56.12
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$69.72
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.57

Plan Cost Share PMPM: \$193.32

Deductible Adjustment: (\$57.37)

OOP Adjustment: \$2.97

Projected Claims Cost \$138.91 74.19%

Administration \$22.50 12.02%

Portability/OMIP \$5.90 3.15%

Commissions \$14.32 7.65%

Margin \$5.62 3.00%

Plan Cost PMPM: \$187.25

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 5000+50/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$61.90
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$56.12
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$69.92
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.57

Plan Cost Share PMPM: \$193.52

Deductible Adjustment: (\$74.36)
 OOP Adjustment: \$2.69

Projected Claims Cost	\$121.85	71.82%
Administration	\$22.50	13.28%
Portability/OMIP	\$5.90	3.48%
Commissions	\$14.32	8.44%
Margin	\$5.09	3.00%

Plan Cost PMPM: \$169.66

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 7500+50/80%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$61.90
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$56.12
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$71.02
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.57

Plan Cost Share PMPM:	\$194.61	
Deductible Adjustment:	(\$88.91)	
OOP Adjustment:	\$2.38	
Projected Claims Cost	\$108.08	69.52%
Administration	\$22.50	14.47%
Portability/OMIP	\$5.90	3.80%
Commissions	\$14.32	9.21%
Margin	\$4.66	3.00%
Plan Cost PMPM:	\$155.47	

**PacificSource Health Plans
Oregon State Plan Pricing Exhibit**

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 300+50/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$62.48
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$58.08
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$72.59
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.62

Plan Cost Share PMPM: \$196.78

Deductible Adjustment: (\$11.92)
 OOP Adjustment: \$15.83

Projected Claims Cost	\$200.69	79.98%
Administration	\$22.50	8.97%
Portability/OMIP	\$5.90	2.35%
Commissions	\$14.32	5.71%
Margin	\$7.53	3.00%

Plan Cost PMPM: \$250.94

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 500+50/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$61.28
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$55.00
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$71.09
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.52

Plan Cost Share PMPM: \$192.89

Deductible Adjustment: (\$17.68)

OOP Adjustment: \$15.10

Projected Claims Cost	\$190.32	79.22%
Administration	\$22.50	9.37%
Portability/OMIP	\$5.90	2.46%
Commissions	\$14.32	5.96%
Margin	\$7.21	3.00%

Plan Cost PMPM: \$240.24

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 750+50/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$60.08
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$53.92
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$69.58
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.41

Plan Cost Share PMPM: **\$188.99**

Deductible Adjustment: (\$23.55)

OOP Adjustment: **\$11.80**

Projected Claims Cost **\$177.24** 78.16%

Administration **\$22.50** 9.92%

Portability/OMIP **\$5.90** 2.60%

Commissions **\$14.32** 6.31%

Margin **\$6.80** 3.00%

Plan Cost PMPM: \$226.77

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 1000+50/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$58.88
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$52.85
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$68.07
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.30

Plan Cost Share PMPM: \$185.10

Deductible Adjustment: (\$28.36)

OOP Adjustment: \$10.04

Projected Claims Cost	\$166.78	77.22%
Administration	\$22.50	10.42%
Portability/OMIP	\$5.90	2.73%
Commissions	\$14.32	6.63%
Margin	\$6.48	3.00%

Plan Cost PMPM: \$215.98

**PacificSource Health Plans
Oregon State Plan Pricing Exhibit**

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 1500+50/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$57.68
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$51.77
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$66.57
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.19

Plan Cost Share PMPM:	\$181.21	
Deductible Adjustment:	(\$36.09)	
OOP Adjustment:	\$9.50	
Projected Claims Cost	\$154.62	76.00%
Administration	\$22.50	11.06%
Portability/OMIP	\$5.90	2.90%
Commissions	\$14.32	7.04%
Margin	\$6.10	3.00%
Plan Cost PMPM:	\$203.45	

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 2000+50/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$58.47
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$50.69
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$65.06
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.08

Plan Cost Share PMPM: **\$177.31**

Deductible Adjustment: (\$42.01)
 OOP Adjustment: **\$7.18**

Projected Claims Cost	\$142.48	74.62%
Administration	\$22.50	11.78%
Portability/OMIP	\$5.90	3.09%
Commissions	\$14.32	7.50%
Margin	\$5.73	3.00%

Plan Cost PMPM: \$190.92

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 2500+50/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$56.47
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$50.69
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$65.00
Other					
Ambulance					
DME					
Other					
Other Total:					\$5.08

Plan Cost Share PMPM: \$177.25

Deductible Adjustment: (\$48.43)
 OOP Adjustment: \$5.57

Projected Claims Cost	\$134.38	73.60%
Administration	\$22.50	12.32%
Portability/OMIP	\$5.90	3.23%
Commissions	\$14.32	7.84%
Margin	\$5.48	3.00%

Plan Cost PMPM: \$182.58

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 3000+50/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$54.07
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$48.53
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$62.24
Other					
Ambulance					
DME					
Other					
Other Total:					\$4.87

Plan Cost Share PMPM: \$169.71

Deductible Adjustment: (\$51.27)

OOP Adjustment: \$5.11

Projected Claims Cost	\$123.55	72.08%
Administration	\$22.50	13.13%
Portability/OMiP	\$5.90	3.44%
Commissions	\$14.32	8.35%
Margin	\$5.14	3.00%

Plan Cost PMPM: \$171.42

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 5000+50/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$54.07
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$48.53
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$63.40
Other					
Ambulance					
DME					
Other					
Other Total:					\$4.87

Plan Cost Share PMPM: \$170.87

Deductible Adjustment: (\$66.10)
 OOP Adjustment: \$4.27

Projected Claims Cost	\$109.04	69.69%
Administration	\$22.50	14.38%
Portability/OMIP	\$5.90	3.77%
Commissions	\$14.32	9.15%
Margin	\$4.69	3.00%

Plan Cost PMPM: \$156.45

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: Preferred CoDeduct Value 7500+50/70%

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$54.07
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$48.53
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$64.38
Other					
Ambulance					
DME					
Other					
Other Total:					\$4.87

Plan Cost Share PMPM: \$171.85

Deductible Adjustment: (\$78.78)
 OOP Adjustment: \$3.58

Projected Claims Cost	\$96.65	67.27%
Administration	\$22.50	15.66%
Portability/OMIP	\$5.90	4.11%
Commissions	\$14.32	9.97%
Margin	\$4.31	3.00%

Plan Cost PMPM: \$143.68

PacificSource Health Plans
Oregon State Plan Pricing Exhibit

Pricing based on 2006 Calendar Year experience trended to 7/1/08 effective date

Plan: BASIC PLAN

Service Category	Utilization per 1,000 per year	Base Cost (Trended)	Plan Cost Share Per Event	Member Cost Share Per Event	Plan Cost PMPM
Hospital Inpatient					
Surgery					
Medical					
Delivery					
Other					
Hospital Inpatient Total:					\$54.47
Hospital Outpatient					
ER					
Surgery					
Other					
Hospital Outpatient Total:					\$53.10
Physician					
Office Visits					
OP Surgery					
Other					
Physician Total:					\$90.58
Other					
Ambulance					
DME					
Other					
Other Total:					\$4.90

Plan Cost Share PMPM: \$203.06

Deductible Adjustment: \$0.00

OOP Adjustment: \$25.14

Projected Claims Cost	\$228.19	81.70%
Administration	\$22.50	8.06%
Portability/OMIP	\$5.90	2.11%
Commissions	\$14.32	5.13%
Margin	\$8.38	3.00%

Plan Cost PMPM: \$279.29