

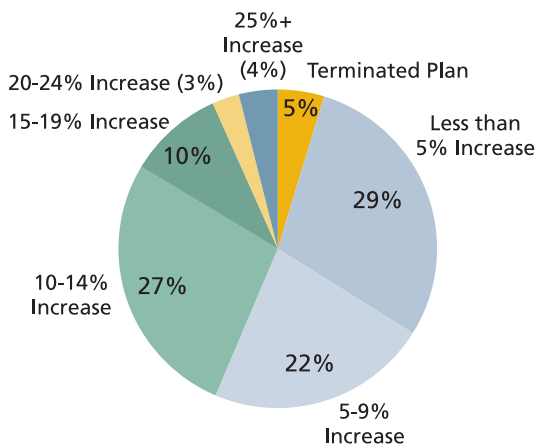
Annual Employer Health Care Benefits Survey

Cost Increases Lower in 2005

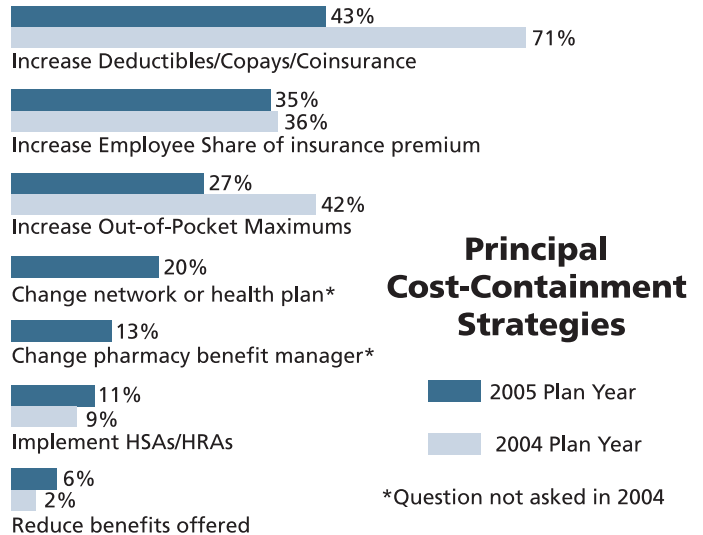
More than half of Milwaukee-area employers achieved single-digit health care cost increases in 2005, significantly better than the 39 percent who experienced single-digit increases last year, according to the preliminary results of the 2005 Greater Milwaukee Annual Report on Health Care's Annual Employer Health Care Benefits Survey. More than 160 companies had participated in the online survey as of mid-May.

The median increase for all employers was 5 to 9 percent, compared to a median increase of 10 to 14 percent in 2004. Seven percent of employers experienced increases greater than 20 percent, down from 12 percent of employers in 2004. Five percent terminated their health plans, compared to 3 percent of companies last year. Smaller employers experienced the greatest increases this year. The median increase for companies with fewer than 50 employees was 10 to 14 percent, with 14 percent of respondents reporting increases greater than 20 percent. By comparison, the median increase for companies with more than 500 employees was 5 to 9 percent, with no respondents reporting increases greater than 20 percent.

2005 Employer Health Care Cost Increases



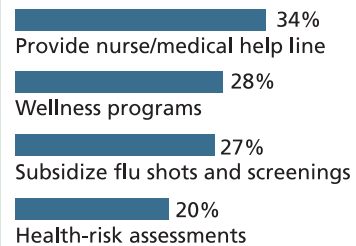
Thirty-five percent of employers raised the employees' share of premium or equivalent costs in 2005, which was similar to the 2004 survey results; however, only 43 percent of employers raised deductibles, copays or coinsurance amounts, down significantly from the 71 percent who did the same last year.



PREVENTION & WELLNESS

More employers are implementing prevention and wellness strategies to contain health care costs. More than 60 percent of survey respondents have implemented programs, up from 40 percent in last year's survey. Nurse-staffed medical help lines were the most popular offering, followed by wellness programs and employer-sponsored flu shots, immunizations and screenings.

"Pro-Active" Strategies

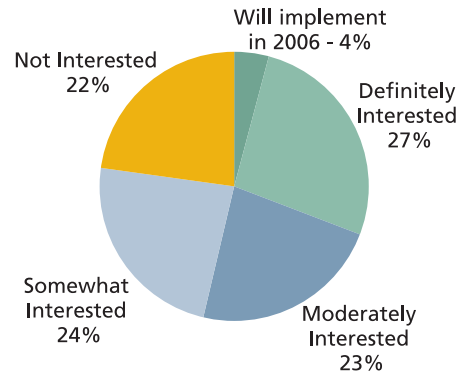


For more detailed results or to participate in the survey visit: www.HCTrends.com

HRAs and HSAs

Slightly more than one in four employers responding to the survey have implemented either a Health Reimbursement Arrangement (HRA) or Health Savings Account (HSA) for their employees; another 30 percent showed strong interest. Utilization was evenly split (13 percent implemented HSAs; 15 percent implemented HRAs), with smaller companies preferring HSAs and larger companies selecting HRAs. The median employer contribution to HSA/HRA accounts was \$500-\$749 for single coverage and \$1,000-\$1,249 for family coverage. Forty percent of employers made their contribution contingent on specific employee activities, including health risk assessments (20 percent), yearly physicals (13 percent) and participation in wellness programs (7 percent).

Employer Interest



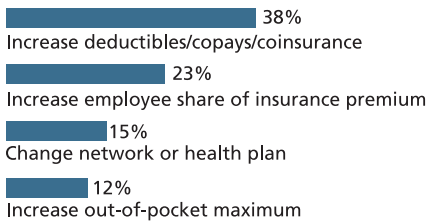
Typical Plan Characteristics		
Percent Paid by Employer	Single	Family
	80%-84%	85%-89%
Deductible	Single	Family
	\$400-\$499	\$750-\$1,499
Out-of-Pocket Maximums	Single	Family
	\$2,000-\$2,499	\$3,000-\$3,900
Physician Office Copay		\$20

Fewer than 20 Employees

Forty-five percent of employers with fewer than 20 employees kept their health plan cost increases below 10 percent in 2005, an improvement over the 38 percent of employers who could make the same claim in the 2004 survey. More significantly, fewer employers had to make major plan changes to contain costs. Thirty-eight percent of employers increased deductibles, copays or coinsurance in 2005, compared to more than 70 percent last year; 23 percent increased the employees' share of premium costs, compared to 30 percent in 2004. Eighteen percent of respondents offered HSAs; none offered HRAs. Among employers that don't currently offer HSAs/HRAs, more than half expressed little interest in the concept.

2005 Cost Increase	End Plan	<5%	5-9%	10-14%	15-19%	20-24%	25%+
% of Respondents	6%	28%	11%	28%	17%	5%	5%

Cost-Containment Strategies



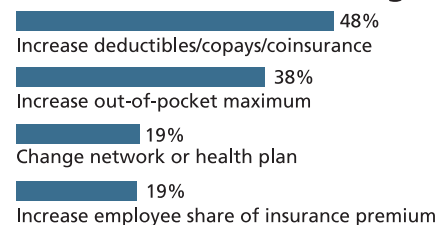
20-49 Employees

This employer group was the hardest hit by plan cost increases in 2005, according to preliminary survey results. Eighteen percent of employers reported increases of more than 20 percent and another 17 percent dropped health coverage this year. Forty-two percent of employers responding had implemented either an HSA (19 percent) or HRA (24 percent) and another 40 percent indicated they were "definitely interested" in the consumer-driven strategies. Twenty-four percent of respondents in this employer group have implemented nurse lines to help contain utilization and improve the health status of their employees; 19 percent subsidize flu shots and screenings.

2005 Cost Increase	End Plan	<5%	5-9%	10-14%	15-19%	20-24%	25%+
% of Respondents	17%	29%	12%	6%	18%	6%	12%

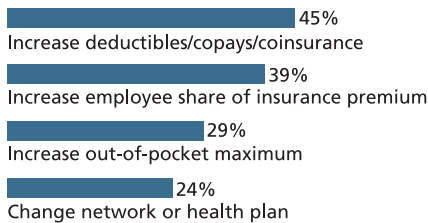
Typical Plan Characteristics		
Percent Paid by Employer	Single	Family
	80%-84%	85%-89%
Deductible	Single	Family
	\$300-\$399	\$750-\$1,499
Out-of-Pocket Maximums	Single	Family
	\$1,500-\$1,999	\$3,000-\$3,900
Physician Office Copay		\$10

Cost-Containment Strategies



Typical Plan Characteristics		
Percent Paid by Employer	Single	Family
	80%-84%	80%-84%
Deductible	Single	Family
	\$500-\$599	\$1,500-\$1,749
Out-of-Pocket Maximums	Single	Family
	\$1,500-\$1,999	\$3,000-\$3,900
Physician Office Copay		\$20

Cost-Containment Strategies



50-199 Employees

Approximately 60 percent of employers in this group kept their cost increases below 10 percent, including more than a third that kept their increases below 5 percent. Cost-shifting and changing health plans were the most commonly used strategies, although fewer companies employed these strategies in 2005 than did in 2004. Eight percent of respondents offer HSAs and 15 percent offer HRAs, with another 24 percent either “definitely interested” or planning to implement them for the 2006 plan year. Only one in four respondents said they were “not interested” in the strategy. Forty-two percent of employers offer nurse help lines, 36 percent offer wellness programs and 36 percent subsidize flu shots and screenings for their employees.

2005 Cost Increase	End Plan	<5%	5-9%	10-14%	15-19%	20-24%	25%+
% of Respondents	3%	37%	21%	30%	3%	3%	3%

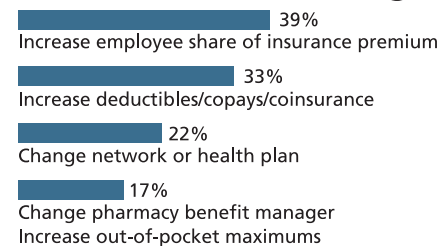
200-499 Employees

Fifty-six percent of respondents achieved single-digit cost increases in 2005; only 6 percent reported an increase greater than 15 percent. The most common cost-containment strategies were increasing employees’ share of the premium or equivalent; increasing deductibles, coinsurance and copays; and changing health plans or networks. Employers were also very active in prevention and wellness program. Forty-four percent have implemented wellness programs, 39 percent offer nurse lines and 28 percent subsidize health club memberships, flu shots and vaccinations. Six percent of the employers offer HSAs, 12 percent offer HRAs; 85 percent of those who don’t offer HSAs/HRAs are either “definitely” or “moderately” interested in this approach.

2005 Cost Increase	End Plan	<5%	5-9%	10-14%	15-19%	20-24%	25%+
% of Respondents	0%	25%	31%	38%	6%	0%	0%

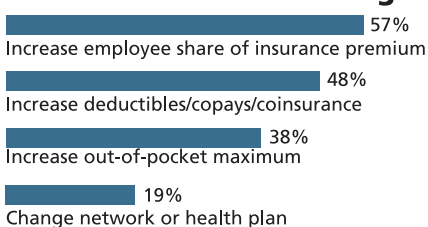
Typical Plan Characteristics		
Percent Paid by Employer	Single	Family
	80%-84%	80%-84%
Deductible	Single	Family
	\$500-\$599	\$1,500-\$1,749
Out-of-Pocket Maximums	Single	Family
	\$1,500-\$1,999	\$4,000-\$4,900
Physician Office Copay		\$20

Cost-Containment Strategies



Typical Plan Characteristics		
Percent Paid by Employer	Single	Family
	80%-84%	80%-84%
Deductible	Single	Family
	\$500-\$599	\$750-\$1,499
Out-of-Pocket Maximums	Single	Family
	\$2,000-\$2,499	\$4,000-\$4,900
Physician Office Copay		\$20

Cost-Containment Strategies



500+ Employees

Employers in this group were the most likely to implement wellness programs and other preventive measures to contain health care costs. Close to 60 percent of respondents have implemented nurse help lines, 55 percent have implemented disease management programs, 50 percent subsidize flu shots and screenings, and 50 percent have implemented wellness programs. Fifty-seven percent of respondents increased their employees’ share of plan costs in 2005, which was more than the 42 percent reported in the 2004 survey. Fourteen percent of large employers offer HSAs; 29 percent offer HRAs. Another 46 percent are either “definitely interested” or planning to implement one of the consumer-driven strategies next year.

2005 Cost Increase	End Plan	<5%	5-9%	10-14%	15-19%	20-24%	25%+
% of Respondents	0%	21%	37%	32%	10%	0%	0%