

**Projected Cost Savings**

<b>ITEM</b>	<b>1 YEAR SAVINGS</b>	<b>3 YEAR SAVINGS</b>
<b>Administration Fees, Credits, Cost Reduction</b>		
Reduction in monthly Health and Pharmacy Administrative Fee from \$51.49 Per Employee Per Month to \$48.49 Per Employee Per Month	\$174,000	\$522,000
Annual Health and Pharmacy Administration Fee Credit for one month not to exceed \$150,000 per year	\$150,000	\$450,000
Increase Annual Pharmacy Management Allowance Credit from \$10 Per Enrolled Employee to \$15 Per Enrolled Employee	\$30,000	\$90,000
Reduction in cost of Level2 Diabetic Program for Type 2 Diabetes from \$250 per month per enrolled member to \$210 per month per enrolled member. Savings reflect current enrollment of 97 members.	\$47,000	\$141,000
Increase annual WellBeing Program funding from \$300,000 per year to \$350,000 per year due to costs of on-site programs increasing and for additional programming.	\$50,000	\$150,000
<b>PROJECTED SAVINGS - ADMINISTRATION</b>	<b>\$451,000</b>	<b>\$1,353,000</b>
<b>Pharmacy Rebate and Discount Guarantees</b>		
Increase overall Rx Rebate Guarantees	\$1,000,000	\$3,000,000
Increase overall Rx Discount Guarantees	\$50,000	\$150,000
<b>PROJECTED SAVINGS – REBATES AND GUARANTEES</b>	<b>\$1,050,000</b>	<b>\$3,150,000</b>
<b>Integration of NHP Network</b>	<b>\$600,000</b>	<b>\$1,800,000</b>
<b>TOTAL PROJECTED SAVINGS</b>	<b>\$2,101,000</b>	<b>\$6,303,000</b>