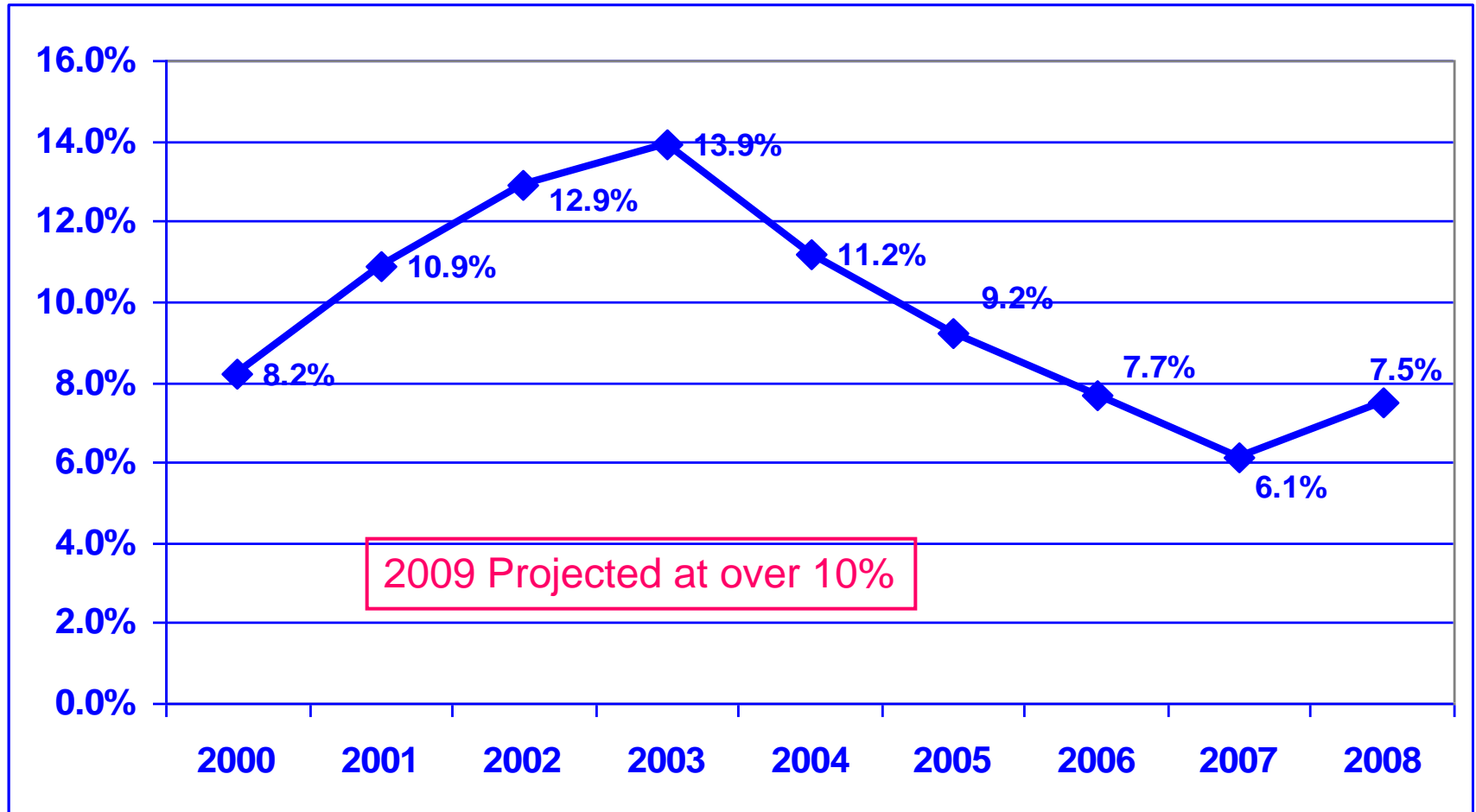


**The Unlevel Playing Field:
How National Insurance
Companies Dominate Over
Business, Hospitals,
Doctors & Patients in
New York State**



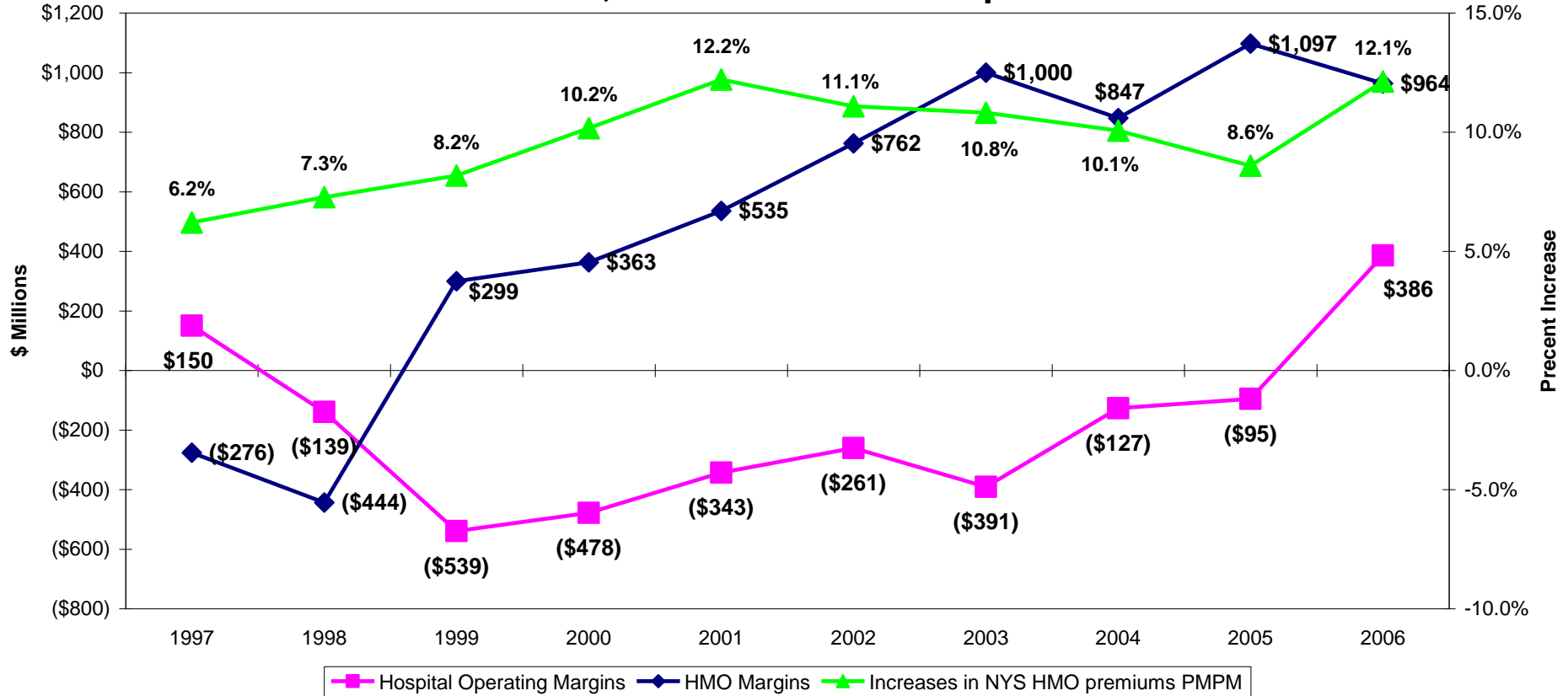
% Employer Premiums Increases 2000-2008*



Source: Kaiser HRET Survey of employer sponsored health benefits, 1999-2007, also cited in "The Verden Report, Special Edition: Cost versus Profit in Managed Care Today." November 1, 2007. www.theverdengroup.com *Figures for 2008 are projections.

The Problem

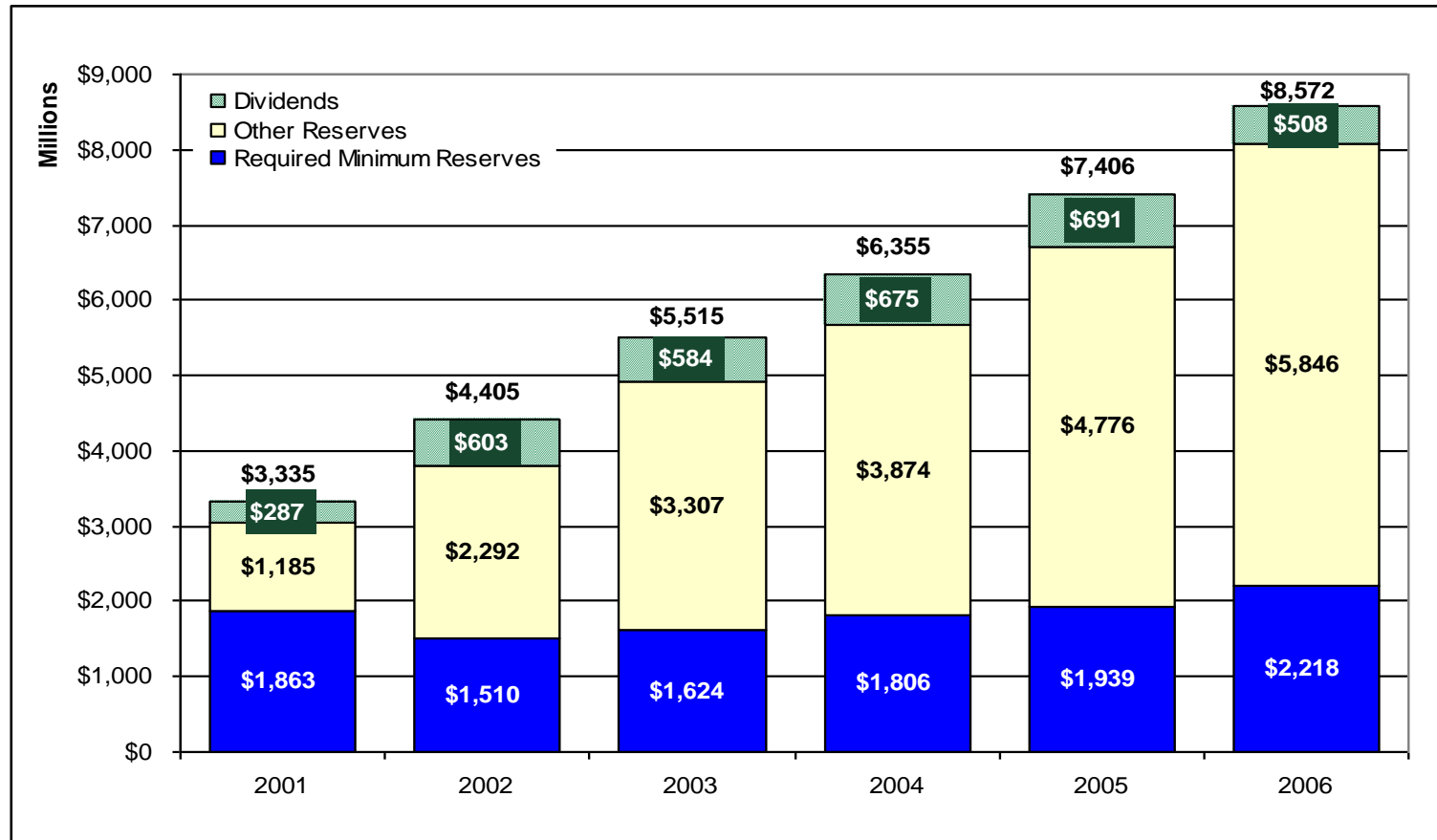
HMO's Win, Businesses and Hospitals Lose



HMO profit and Hospital Operating data: Hospital Association NYS

Note: Hospital operating margins for 2006 exclude a large public hospital system because of a one-time negative accounting change that would have artificially lowered the statewide margin calculation significantly.

New York State Health Plan Reserves 2001 – 2006



Source: National Association of Insurance Commissioners (NAIC) financial statement filings.

NorMet Hospital Commercial Reimbursement Rates vs. Medicare

**In NYS, the Average Commercial
Reimbursement
Rate is only 2 or 3% Above
Medicare Rate**

But for Hospitals in CT & NJ, Commercial Reimbursement Rates are Much Higher Than Medicare

- **Estimated Northern NJ Commercial reimbursement rate is 10.0% higher than the Medicare Rate**
- **Estimated Western CT Commercial reimbursement rate is 18.3% higher than the Medicare Rate**