



September 2, 2008

Steve Miller
Employee Benefits Administrator
The City of Las Vegas
400 Stewart Avenue
Las Vegas, NV 89101

Subject:
Health Plan of Nevada HMO / Sierra Health and Life PPO January 1, 2009 Renewal

Dear Steve,

The initial renewal rates presented by HPN/Sierra for the current HMO and PPO plans reflected a 9% rate increase. Following discussions with HPN senior management, the renewal increase has been revised to 5%.

The 5% rate increase is considerably below current medical inflationary trends and is offered with no change to the current HMO or PPO benefits.

Based on our view of the current fully insured HMO/PPO marketplace, we feel this represents a fair and reasonable renewal. We are recommending the renewal of both the HMO and PPO plans for 2009 at the 5% increase.

Please contact me with any questions.

Sincerely,

Tanna Prince, CEBS, FLMI
Vice President

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