



Federal Employee Benefit Association

11301 Old Georgetown Road • Rockville, Maryland 20852-2800 • (301) 984-1440 • (800) 638-6589

April 23, 2012

Dear Health Plan Member,

Your election ballot for the SAMBA Board of Directors is enclosed. Two of our current directors, Joe Davis and Dave Loesch, have agreed to serve another term on the board. Please return your ballot by May 15, 2012.

I want to take this opportunity to offer a special word of welcome to the 1,197 new members who joined our health plan this year. You made a wise choice when you selected SAMBA from the many health plans available to you. We value your membership. If you have questions or concerns, please call our Customer Services Department at 1-800-638-6589.

As many members know, SAMBA is contracted with the Office of Personnel Management (OPM) to offer its health plan to federal employees and annuitants. OPM annually audits our health plan operations to ensure that we operate the plan in accordance with federal regulations and OPM guidelines. I am pleased to share with you a portion of the letter I received from OPM regarding SAMBA's operation of the health plan last year:

"We appreciated your continued dedication to providing quality customer service to your membership and your partners. This is evident by receiving the highest overall satisfaction rating on the CAHPS (Consumer Assessment of Healthcare Providers and Systems) scale at 89.3 for all fee-for-service plans and your continued success in exceeding OPM's quality assurance standards. We acknowledge your success in renegotiating both your PBM (Pharmacy Benefit Manager) and PPO (Preferred Provider Organization) contracts with a total projected savings of over \$11.9 million. OPM staff was also duly impressed on the recent site visit with SAMBA's state-of-the-art operations center and your professional, highly trained staff."

I am especially pleased to report that last year SAMBA paid out in the form of benefit payments over 95.5% of all premium dollars received. SAMBA processed well over 722,000 physician and hospital claims and answered over 72,000 telephone calls from members. As required by OPM, all premium dollars remain in the U.S. Treasury until SAMBA checks are presented at our bank for payment.

During the last open season, we mailed 2012 plan brochures only to members who specifically requested a pre-printed copy. This "Going Green" initiative saved approximately \$152,000 in reduced printing and postage costs. Members may request a pre-printed copy at any time during the year. Just send an email to feedback@sambaplans.com or call our Customer Services Department. Also, the brochure can be viewed or downloaded from our web site www.SambaHealth.com.

continued, over

On April 2, 2012, the Federal Trade Commission approved the purchase of Medco by Express Scripts, thereby creating the largest Pharmacy Benefit Manager in the country. For the rest of this year, members should not notice any changes other than the Express Scripts logo may eventually replace the Medco logo. Members will continue to have access to the same medications, retail pharmacies and Medco services. There will be no change to our pharmacy benefits as a result of the merger. Members will continue to use the same Medco mailing address, telephone number and Medco website to manage their account and renew prescriptions.

Patient safety is an ongoing concern at SAMBA. We have several “behind the scenes” programs in place that are designed to improve patient safety and prevent gaps in care, errors and adverse effects based on the patient’s medical and pharmacy health profile. One such program is Medco’s RationalMed. RationalMed seeks to identify previously undetected drug therapy-related health risks that may result in hospitalization and other adverse outcomes. RationalMed will alert the patient and their physician whenever a safety issue is detected. Last year, safety alerts were detected for almost 6,000 members and dependents.

For example, RationalMed identified a 62-year old woman with a history of hypertension, high cholesterol, heart failure, diabetes, and stage III chronic kidney disease with episodes of acute renal failure. The patient was prescribed the drug Byetta to help control blood glucose levels. RationalMed detected a safety issue because use of Byetta by patients with existing renal impairment may significantly worsen the underlying renal condition, possibly leading to total renal failure. RationalMed alerted the patient and the patient’s physician. The use of Byetta was discontinued, another medication was substituted, and a possible serious medical situation avoided.

Next year, SAMBA will transition to a new, more robust claims processing system to replace our 21 year old mainframe system. The new system is a server-based system and offers many new capabilities required in today’s electronic claims processing world.

SAMBA’s quarterly newsletter, the SAMBY Report, is delivered via email to our members. We hope you have found the articles interesting and useful.

Does SAMBA have your current mailing address, telephone number and email address? To update your personal information, go to www.SambaHealth.com and click on the Member Services tab.

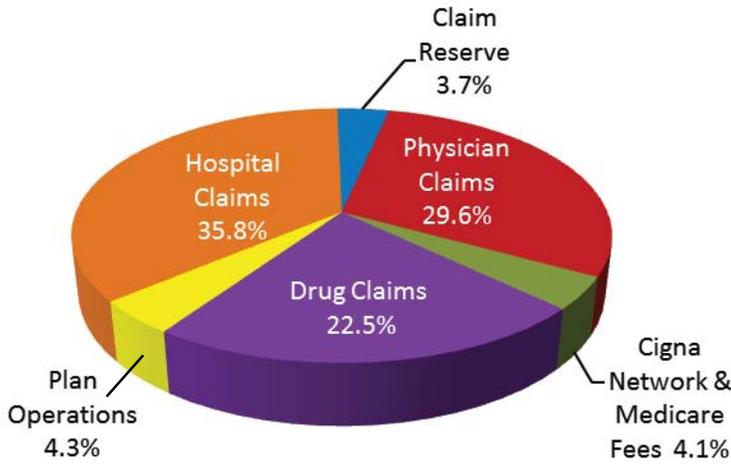
Sincerely,

A handwritten signature in blue ink that reads "Walter E. Wilson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

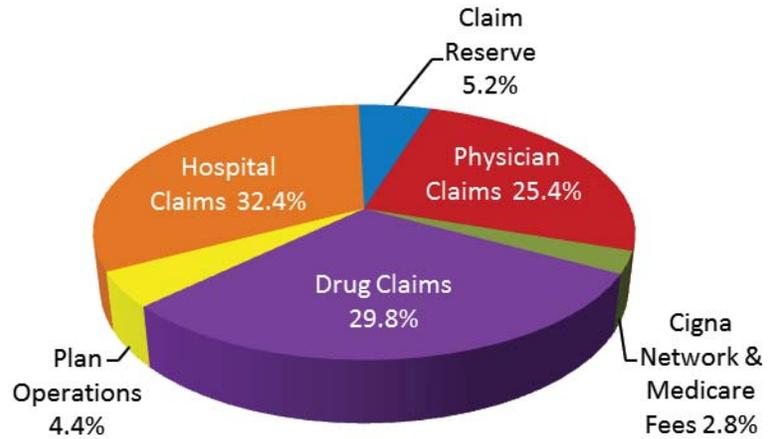
Walter E. Wilson
Executive Director

How Your 2011 Premium Dollars Were Spent

Standard Option



High Option



Claim Reserve = A portion of premium dollars retained by OPM to be used if benefit payments exceed premium received.

	Standard Option	High Option
Total Premium Dollars	\$142,289,064	\$87,425,776
Total Benefit Payments	\$136,135,007	\$83,563,210
Number of Members	13,437	7,603
Total Insured Persons	29,187	11,456
Member's Average Age	47	64
Persons over 90 years	107	670
Persons with Medicare A & B	3,358	4,458
Number of Births	378	35
Hospitalizations - Inpatient	1,747	1,695
Hospitalizations - Outpatient	22,950	16,549
Doctor Office Visits	171,189	100,221
Lab Procedures	117,913	70,372
Persons with no claims	6,214	1,543
Flu Shots	4,669	2,069
Rx's (includes new & refills)	303,726	270,171
Rx's (new/refills) per Person	10	22
Generic Dispensing Rate	73.2%	71.3%