

ATTACH TO
MINUTES
10/1/2014

ACW



Presented by:

Megan Toitch





OHIO INSURANCE SERVICES AGENCY, INC.

Russell Township
Geauga County

Ohio Public Entity Consortium Healthcare Cooperative



OPEC-HC Proposed Effective Date: December 1, 2014

Dear Prospective Member:

Over the last two years we have explored a variety of options to make sure we continue to provide quality, cost-effective programs for the years ahead.

With your work and participation, we have been able to build the best program in Ohio.

Attached is your formal proposal for the OPEC-HC. You will find the following advantages:

- Tax Savings (No ACA Market Share Tax (2.4% in 2014, 3.3% 2015))
- Plan Design Matching Current Structure
- Choice of Networks – Aetna, Medical Mutual of Ohio and UHC
- Large Group Purchasing
- No Renewal until January 1, 2016
- Predictable Renewals

To get started we will need the following documents:

- A.) Resolution to Join and Authorize Representative
- B.) Signed OPEC-HC Agreement
- C.) Stop-Loss Disclosure - *DONE*

1) NO EMPLOYEE APPS REQD
2) NO LOSS OF DEUCT.

Please feel free to contact us with any questions or suggestions.

Sincerely,

Megan Toitch

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Russell Township in Geauga County

 Benefit Comparison 				
Medical Mutual		OPEC-HC		
<i>Benefits</i>	CURRENT		PROPOSED	
	<i>Network</i>	<i>Non-Network</i>	<i>Network</i>	<i>Non-Network</i>
<i>Benefit Maximum</i>	\$5,000,000		Unlimited	
<i>Deductible</i>	\$2,500 / 5,000	\$2,500 / 5,000	\$2,500 / 5,000	\$2,500 / 5,000
<i>Co-Insurance</i>	100%	60 / 40%	100%	60 / 40%
<i>Out-of-Pocket</i>	\$2,500 / 5,000	\$2,500 / 5,000	\$2,500 / 5,000	\$2,500 / 5,000
<i>Office Visits (PCP)</i>	Ded. Then 100%	Ded. & Co-Ins.	Ded. Then 100%	Ded. & Co-Ins.
<i>Specialty Care Physician</i>	Ded. Then 100%	Ded. & Co-Ins.	Ded. Then 100%	Ded. & Co-Ins.
<i>Preventive Care</i>	100%	Ded. & Co-Ins.	100%	Ded. & Co-Ins.
<i>Inpatient Facility</i>	Ded. Then 100%	Ded. & Co-Ins.	Ded. Then 100%	Ded. & Co-Ins.
<i>Outpatient Surgery</i>	Ded. Then 100%	Ded. & Co-Ins.	Ded. Then 100%	Ded. & Co-Ins.
<i>Outpatient Diagnostic, X-Ray & Lab</i>	Ded. Then 100%	Ded. & Co-Ins.	Ded. Then 100%	Ded. & Co-Ins.
<i>Emergency</i>	Ded. Then 100%		Ded. Then 100%	
<i>Urgent Care</i>	Ded. Then 100%	Ded. & Co-Ins.	Ded. Then 100%	Ded. & Co-Ins.
<i>Prescription Drugs</i>	Ded. Then 100%		Ded. Then 100%	
<i>Pre-Existing</i>	HIPAA		HIPAA	

Total Monthly Premium

\$23,424.50

\$22,838.88

Total Annual Premium

\$281,094.00

\$274,066.56

**Effective January 1st, H.S.A. minimum deductibles go to \$2,600/5,200 for embedded plans.*

Cost Breakdown

Coverage Type	Count	Current	OPEC-HC
Employee Only	4	\$435.05	\$424.17
Employee & Spouse	6	\$868.05	\$846.35
Employee & Spouse + Child	7	\$1,009.75	\$984.51
Employee & Spouse + 2 Children	7	\$1,151.45	\$1,122.66
Employee & Spouse + 3 or more Children	1	\$1,347.60	\$1,313.91

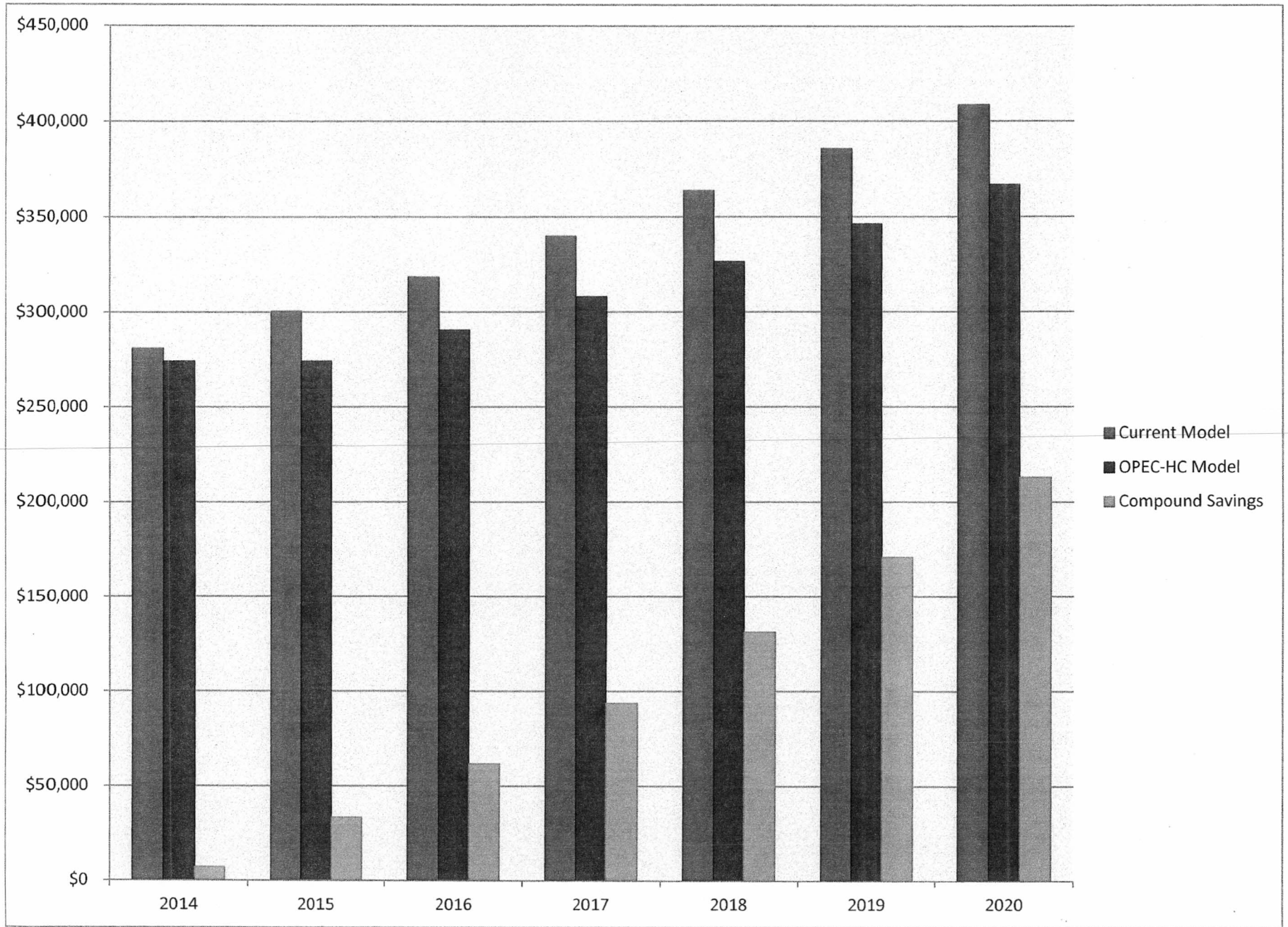
Total Monthly Premium		\$23,424.50	\$22,838.88
Total Annual Premium		\$281,094.00	\$274,066.56

Russell Township in Geauga County

Current Annual Premium

\$281,094

	2014	2015	2016	2017	2018	2019	2020
<i>Annual Market Share Tax</i>	0.024	0.033	0.033	0.04	0.05	0.05	0.05
<i>Projected Renewal Increase</i>		1.06	1.06	1.06	1.06	1.06	1.06
Current Model							
Premium	\$274,506	\$290,976	\$308,435	\$326,941	\$346,557	\$367,351	\$389,392
Market Share Tax	\$6,588	\$9,602	\$10,178	\$13,078	\$17,328	\$18,368	\$19,470
Total Cost	\$281,094	\$300,578	\$318,613	\$340,019	\$363,885	\$385,718	\$408,861
OPEC-HC Model							
Premium	\$274,067	\$274,067	\$290,511	\$307,941	\$326,418	\$346,003	\$366,763
Market Share Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$274,067	\$274,067	\$290,511	\$307,941	\$326,418	\$346,003	\$366,763
Annual Savings	\$7,027	\$26,512	\$28,102	\$32,077	\$37,467	\$39,715	\$42,098
Compound Savings	\$7,027	\$33,539	\$61,642	\$93,719	\$131,186	\$170,902	\$213,000



Russell Township

Dental Benefit Comparison

Benefits	Current Delta Dental	Proposed OPEC Delta Dental
Maximum Benefits	\$1,000	\$1,000
Deductible Limitations	\$50 / 150	\$50 / 150
Class I		
<i>Diagnostic Services</i>	100%	100%
<i>Preventive Services</i>	100%	100%
<i>Radiographs</i>	100%	100%
Class II		
<i>Oral Surgery</i>	80 / 20%	80 / 20%
<i>Minor Restorative Services</i>	80 / 20%	80 / 20%
<i>Periodontics</i>	80 / 20%	80 / 20%
<i>Endodontics</i>	80 / 20%	80 / 20%
Class III		
<i>Major Restorative Services</i>	50 / 50%	50 / 50%
<i>Prosthodontics</i>	50 / 50%	50 / 50%

Employee Only (4)	\$26.34	\$25.07
Employee + Spouse (6)	\$49.40	\$67.20
Employee + Children (0)	\$49.40	\$67.20
Employee + Family (15)	\$86.34	\$67.20
Total Monthly Premium	\$1,696.86	\$1,511.48
Total Annual Premium	\$20,362.32	\$18,137.76
Total Annual Savings		\$2,224.56

Russell Township Vision Comparison

	Current		Proposed Option		Proposed Option		Proposed Option	
	V S P - PEBA		OPEC VSP Plan 1		OPEC VSP Plan 2		OPEC VSP Plan 4	
Benefits	Frequency	Co-Pay & Benefit	Frequency	Co-Pay & Benefit	Frequency	Co-Pay & Benefit	Frequency	Co-Pay & Benefit
Examination	12 Months	\$0 Co-pay	12 Months	\$0 Co-pay	12 Months	\$10 Co-Pay	12 Months	\$10 Co-Pay
Lenses	12 Months	\$0 Co-pay	12Months	\$15 Co-Pay	12Months	\$15 Co-Pay	12Months	\$25 Co-Pay
Frame Allowance	12 Months	\$150	12 Months	\$150	12 Months	\$150	12 Months	\$130
Contact Lenses Allowance	12 Months	\$150	12 Months	\$150	12 Months	\$150	12 Months	\$130

Employee Only (4)	\$7.99		\$23.40		\$20.34		\$5.55
Employee + 1 (6)	\$15.98		\$23.40		\$20.34		\$10.90
Family (15)	\$25.73		\$23.40		\$20.34		\$17.54
 Total Monthly Premium	 \$513.79		 \$585.00		 \$508.50		 \$350.70
Total Annual Premium	\$6,165.48		\$7,020.00		\$6,102.00		\$4,208.40

Ohio Public Entity Consortium
For
Russell Township in Geauga County

Life Insurance

<i>Benefit</i>	Current Plan	Proposed Plan
	Medical Mutual	Hartford
<i>Life Amount</i>	\$15,000	\$15,000
<i>AD&D Amount</i>	Included	Included
<i>Line of Duty Benefit</i>	N / A	Included
<i>Spousal Life</i>	\$10,000	\$10,000
<i>Dependent Life</i>	\$5,000	\$5,000
<i>Monthly Premium</i>	\$247.96	\$171.76
<i>Total Annual Cost</i>	\$2,975.52	\$2,061.12
<i>Total Annual Savings</i>		\$914.40

Key Underwriting Financial Indicators

<i>Ins. Comm. Filings for 2013</i>	Administration	Profit	Premium Dollars used for Benefits
Aetna	13.03%	3.69%	\$0.83
Anthem BC/BS	7.96%	11.05%	\$0.81
Aultcare	12.92%	.90%	\$0.86
The Health Plan	6.42%	4.44%	\$0.89
Medical Mutual	12.84%	4.80%	\$0.85
Paramount	7.61%	3.19%	\$0.89
United	<u>10.49%</u>	<u>.43%</u>	<u>\$0.89</u>
Average Carrier	10.20%	3.68%	\$0.86
Jefferson Health Plan <small>FY13</small>	6.55%	0.0%	\$0.93

Jefferson Health Plan



Why choose OPEC-HC?

The Ohio Public Entity Consortium Healthcare Consortium (OPEC-HC) has partnered with The Jefferson Health Plan (JHP), a non-profit organization pooling the resources of Ohio public entities having elected to self-insure their benefit programs. JHP has been providing benefits since 1985. With over \$100 million in assets, and 12,000 employees covered, it is one of the largest and longest running consortia in Ohio. You can count on our expertise and commitment to you. Nothing compares to the financial strength, stability, and flexibility you will enjoy when working with the OPEC-HC. Here are some of the advantages you will receive:

Plan Design

It is important to note that the OPEC-HC, unlike many others found within the State of Ohio, does not have standard plan designs to which member organizations must conform. As such, members have the freedom to adopt an almost unlimited number of plan designs. This flexibility allows us to custom tailor a plan best suited for you and your employees.

As a participating member of the OPEC-HC, we will be more than happy to meet with your group to discuss alternative plan designs and the use of member networks.

Claims Expertise

The consortium works with many experienced claims administrators who can professionally manage your claim expectations with dedicated analysts. We will work with you to produce benefit booklets, manage claims, and perform many other important tasks associated with your benefit plan.

Compliance Guidance

Employers are faced with ongoing compliance issues, as evidenced by complex and evolving ACA legislation. The consortium, however, is designed to reduce the burden of compliance for its members by providing ongoing communications regarding these matters, as well as help with preparing necessary tax filings. Participation in the consortium will make such compliance services available as new taxes and mandates are imposed in the future.

Disease Management, Wellness Program, and Employee Assistance Program

The consortium currently offers to member organizations as part of its services, state of the art disease management, wellness program, and employee assistance program. These programs afford member organizations and plan participants access to biometric screenings, health coaching, online challenges, monthly online seminars, mailings, telephonic counseling and referrals, as well as online access to personalized web portals.

Predictable Renewals

One of the main objectives of the consortium is to provide fair, stable and transparent renewals. We apply the same standards to every renewal. Our pooled approach provides rate stability. This approach gives you the ability to better manage your health care costs over time.

Renewal Process

Upon renewal, the OPEC-HC is rated based upon both its own experience and that of the overall pool. This methodology allows the consortium to temper rate adjustments. Reserve positions found to be deficient under the terms of consortium at renewal are generally intended to be recovered by the consortium over a two (2) to three (3) year period. Reserves found to be in excess of those required by the consortium are available for funding moratoria at any time.



Highlights of this Proposal

Assumptions

The attached proposal provides a mature funding option for consideration by the Member Organization. No changes to the current plan designs have been assumed in connection with this formal proposal and all are developed using a mature contract basis.

The proposed plan options assume the use of one of our preferred networks for this group. It should be noted, however, that The OPEC-HC / JHP has agreements with nearly ten (10) different preferred provider organizations, several of which could be made available to the Member Organization should any of the alternative networks be of interest, either now or in the future.

With this formal proposal, it is anticipated that the current prescription drug plan benefits will also be duplicated, the OPEC-HC would use the Caremark network for the provision of such benefits. Our arrangements with Caremark can be structured along a co-insurance, or co-payment formula using one, two, three or four tier formularies.

Rating

The rates quoted herein, in our opinion, realistically represent program costs for the Member Organization during the period over which the quote has been prepared. Self insured employers are currently exempted from certain taxes otherwise imposed by both the State and Federal government on fully insured plans. This exemption can be expected to save plan sponsors up to 5% over time, which is another reason more and more employers are looking to self insurance as a cost effective way to provide employee benefit programs. Nonetheless, it should be noted that as a self-insured employer cooperative, all expenses incurred by the OPEC-HC group's sponsorship of its covered benefit programs will, ultimately, be the responsibility of OPEC-HC Members, and not The Jefferson Health Plan.

Effective Date

The rates proposed herein, in our opinion, are intended to represent mature program costs for the proposed effective date. They are further subject to change, should, before or after acceptance, the enrollment or plan design deviate significantly from that reviewed in preparing this bid. The rates proposed are estimates based upon historical and other information provided in the RFP, and, as such, are not a statement of contract. The rates are intended to estimate future claim expenses and are based upon the statistical elements provided, including, but not limited to, group enrollment and composition, as well as claims and administrative expense history. These rates are subject to change based upon any change in the aforementioned elements and/or additional or contradictory information that may arise in the final stop loss disclosure package.

Implementation

Please note that because it takes time to build a claims paying system customized to your plan specifications, the consortium asks that you notify us of your intent to join the OPEC-HC at least thirty (30) days prior to your intention of becoming a member of the consortium. If you notify the consortium less than thirty (30) days before the intended effective date of your membership, there may be a disruption in claim services while your plan is implemented by our various claims administrators. That disruption in services for example could result in delayed claim payments, issuance of identification cards, production of benefit booklets, or other matters.