



October 12, 2015

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Re: OPEC-HC January 1, 2016 Renewal

Dear Member:

In 2000, the Ohio Public Entity Consortium was formed to assist local governments in procuring and servicing their benefit needs.

Over the years, we have seen many changes in the healthcare landscape. With the onset of the Affordable Care Act, members began transitioning to our Ohio Public Entity Consortium Healthcare Cooperative (OPEC-HC), on July 1, 2014. OPEC-HC has grown to over 3,000 covered employees with over \$38,000,000 of annual revenue.

OPEC-HC offers many advantages, exemption from both the Federal Marketshare Tax of 3.3% and the State Premium Tax of 1.4%, Control of Plan Design, Choice of Networks, Administrative Cost Savings and Strength in Numbers.

OPEC-HC is part of a much bigger group, Jefferson Health Plan (JHP). JHP was first established in 1985, and has grown to 18,000 covered employees. Over the past 30 years, it has accumulated reserves in excess of \$100 million.

As we enter our first renewal of a 3 year contract, claims have been higher than projected. By December 31, 2015, the actuaries predict a \$6 to \$7 million deficit.

One of the major advantages is OPEC-HC's ability to access reserves and spread any assessment of deficit recovery over a period of time, rather than collecting the shortfall all at once.

Given these considerations, our deficit recovery is being built into our January 1, 2016 renewal.

Healthcare trend is averaging about 12% increase in cost on an annual basis, comprised of medical cost inflation, prescription cost inflation, and increased utilization.

Taking into account our deficit, our renewal is 25%. Your renewal documents are attached as well as options.

Also, for those members that wish to renew their current plan, there is a special line item option. Any member renewing their existing benefits may elect to receive a 12.5% renewal and receive a special line item "assessment of deficit recovery". This assessment of deficit recovery equals \$2,000 per the average number of employees on the plan in 2015. This assessment would be spread-out into 12 equal payments of \$167 per employee beginning with the January 1, 2016 invoice.

Please call Ohio Insurance Services with any questions at (800) 989-9095.

Russell Township/Geauga County



In-Network Benefits		Current Plan	Renewal Plan	Option 1	Option 2	Option 3
Single Deductible		\$2,500	\$2,500	\$3,000	\$3,500	\$4,000
Family Deductible		\$5,000	\$5,000	\$6,000	\$7,000	\$8,000
Co-insurance		100%	100%	100%	100%	100%
Single (Ded./ Co-Ins.) Out of Pocket		\$2,500	\$2,500	\$3,000	\$3,500	\$4,000
Family (Ded./ Co-Ins.) Out of Pocket		\$5,000	\$5,000	\$6,000	\$7,000	\$8,000
Primary Care Physician Office Visit		Ded. Then 100%	Ded. Then 100%	Ded. Then 100%	Ded. Then 100%	Ded. Then 100%
Specialist Office Visit		Ded. Then 100%	Ded. Then 100%	Ded. Then 100%	Ded. Then 100%	Ded. Then 100%
Emergency Room		Ded. Then 100%	Ded. Then 100%	Ded. Then 100%	Ded. Then 100%	Ded. Then 100%
Urgent Care		Ded. Then 100%	Ded. Then 100%	Ded. Then 100%	Ded. Then 100%	Ded. Then 100%
Preventative		100%	100%	100%	100%	100%
Retail Pharmacy (30 day supply)		Ded. Then 100%	Ded. Then 100%	Ded. Then 100%	Ded. Then 100%	Ded. Then 100%
Coverage Rate Breakdown						
	Count					
Employee Only	3	\$424.17	\$530.21	\$519.61	\$509.00	\$498.40
Employee & Spouse	6	\$846.35	\$1,057.94	\$1,036.78	\$1,015.62	\$994.46
Employee & 1 Child	1	\$560.02	\$700.03	\$686.02	\$672.02	\$658.02
Employee & 2 Children	1	\$695.86	\$869.83	\$852.43	\$835.03	\$817.64
Employee & 3+ Children	0	\$886.02	\$1,107.53	\$1,085.37	\$1,063.22	\$1,041.07
Family & 1 Child	7	\$984.51	\$1,230.64	\$1,206.02	\$1,181.41	\$1,156.80
Family & 2 Children	4	\$1,122.66	\$1,403.33	\$1,375.26	\$1,347.19	\$1,319.13
Family & 3+ Children	3	\$1,313.91	\$1,642.39	\$1,609.54	\$1,576.69	\$1,543.84
Estimated Monthly Total	25	\$22,930.43	\$28,663.04	\$28,089.78	\$27,516.52	\$26,943.26

Indicate Option Choice

12.5% Renewal of current benefits with Line Item Assessment of Deficit Recovery

Rates are proposed for 1/1/2016. Please indicate in the check box above your group's 1/1/2016 plan selection. All plan changes must be received by 11/30/2015 or your plan design will renew as is for 1/1/2016.

X _____
Authorized Signature

10/21/2015
Date

Please submit this form to:
Ohio Insurance Services
Attn: Andrea Moore
amoore@ohioinsuranceservices.com
Or Fax to: (614) 873-2916