



MISSOURI EDUCATORS
UNIFIED HEALTH PLAN, INC.

"Unified for Strength, Stability & Service"

Ken Cook, President • Dianna Hoenes, Vice President • Dr. Jeff Lindsey, Treasurer • Chris Felmlie, Secretary

February 4, 2011

**President's Update
July 1, 2011 Renewal**

Dear MEUHP Member:

The MEUHP Board of Directors met on Wednesday, January 26 to prepare for a renewal meeting with Anthem on February 23. At the renewal meeting, the Board will be presented with claim and utilization information on our plan through November 30, 2010. Our claim trends are the main piece for establishing new rates for our fiscal year beginning July 1, 2011. But, other factors are also considered, including membership changes, plan design changes, large claims and health care cost trend factors, among others.

Why is the cut off November 30? Because we have such a large group, 93 schools and over 9000 members, it takes several months for our underwriter to gather, analyze and format all the data; statewide, by region and for each district. The Board of Directors last received our overall claim utilization report ending September 30, 2010 at our Board meeting in October. Since that time individual districts received their 3rd quarter utilization reports.

As I wrote in my last president's update, *our overall trend of claims vs. premiums continues to move in a positive direction*. Much of this is attributable to our commitment to member education and utilization of Consumer Driven Plans with Health Savings Accounts, as well as our plan's wellness resources and health management services. Of our 15 MEUHP statewide plan offerings, seven are Consumer Driven Plans and five are compatible with Health Savings Accounts. All of this is consistent with our mission of providing members with plan selection flexibility, long-term stability, quality benefits and comprehensive service.

As approved by the Board at our January 26 meeting, our July 1 renewal information will be provided to each MEUHP Region prior to March 11. The meeting date, time and location will be arranged by your Regional Board member. The Board felt this timeline best meets the needs of our members and potential new members. Additionally, our annual member meeting will be held at 7:30 pm on April 26 at the Resort at Port Arrowhead. This is after the MOASBO-MUSIC Golf tournament and the evening before the MOASBO Conference begins.

In other matters, the Board discussed tier movement. Last year the Board of Directors decided since only five months of "MEUHP" data was available that tier movement was not a good option for our July 1, 2010 renewal. Yet, it was agreed for our July 1, 2011 renewal all districts with 12 or more months of MEUHP data would be eligible for tier movement based on their utilization history. I think I speak for all of the Board members when I say our main goal is to maintain competitive plans and rates with a stable long-term environment for school districts. Final renewal and tier movement decisions will be made with consistency and transparent data, all of which will be provided to members with their individual membership renewal.

Forrest T. Jones & Company, Inc., Plan Administrator

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The Board received an update from Forrest T. Jones, our plan administrator, about the current status of Health Care Reform (HCR) and the Early Retiree Reinsurance Program. Some aspects of HCR have been postponed and others continue to be monitored for our upcoming renewal. The MEUHP continues to be well positioned in meeting all HCR requirements.

The Early Retiree Reinsurance Program (ERRP) was discussed. There has been some interest in this program because of the potential financial benefit to districts. With FTJ's assistance my district, Malden R-I School District, has completed the application so that we could understand exactly what is required. It takes a good 20 hours to complete the application with no guarantee that the district will ever receive any reimbursement. The information on how to apply for this program is on the MEUHP website at www.meuhp.com. For further information and assistance, please contact your FTJ Regional Director.

Following our Board of Directors meeting I attended the Missouri United School Insurance Council (MUSIC) meeting. It is the 25th anniversary of this program and as I was listening to the history of the MUSIC program, I was reminded why we began the MEUHP in 2009. Having had two large claims with MUSIC that were handled very well, I cannot imagine why any school district would not be a member and why they would even consider leaving the program. I see the MEUHP in the same way. MEUHP members work as one large non-profit corporation for administrative efficiency and member governance. Although the MEUHP is a fully insured health insurance plan rather than a self-funded property and casualty plan like MUSIC, our program does include transparent large claim pooling to temper large claim volatility for individual districts, regions and our entire statewide group. Furthermore, the vast BCBS network of health care providers allows our membership to not only have access to "in-network" health care locally, but across the United States as well.

In summary, we have many reasons to be optimistic for a fair 2011-12 renewal and continuation of our focus on long-term stability and growth. More growth can mean greater efficiency and stability for even more districts. To best achieve this goal, we must remain unified to continue to work and grow our organization—together.

If you are a current member and have suggestions, questions or concerns about our program, please feel free to contact me or any of the seven other members of the Board of Directors. If you are not a member and would like to learn more about our structure and how we operate, or apply for membership, please feel free to contact any of us or your local FTJ Regional Director. Our governance structure ensures that an active superintendent from your region is on our Board of Directors and available to assist you.

Sincerely,



Kenneth Cook, President