

# Missouri Educators Unified Health Plan

A Missouri Non-Profit Corporation

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"For School Districts, By School Districts"

MISSOURI EDUCATORS  
UNIFIED HEALTH PLAN, INC.

**MEUHP**

"UNIFIED FOR STRENGTH,  
STABILITY & SERVICE"

May 17, 2013

## President's Update

Dear MEUHP Member:

I am glad to report that our 2013-14 membership renewal is going extremely well, with over 95% of our membership renewing and employees and retirees making their new annual plan elections. Our teamwork and remarkable persistency demonstrates why the **MEUHP continues to be the largest statewide health plan for Missouri school districts** covering over 11,500 lives in 110 school districts.

Our annual meeting was held on April 23. Our plan underwriter and the Board of Directors fielded questions from superintendents regarding our renewal and the impact of the Affordable Care Act (ACA) as we transition in 2014 to an Administrative Services Only with Stop Loss reinsurance program (ASO/Stop Loss). Our dialogue was open and positive. It was very encouraging to have data and verbal confirmation that our organizational and financial structure is solid for our transition and that 2014 is the exact right time to leverage our experience and large numbers. We feel this transition underscores what we have been saying for over 4 years: **the MEUHP is unified for strength, stability and service.**

On the business side of our corporation, **the Board voted to retain our current leadership**, except John French (Central Region) was voted in as secretary to replace outgoing secretary, Chris Felmlee. Chris is moving to a non-MEUHP district next year. Chris has been on the Board all 4 years and has been a great asset and supporter of the MEUHP. Thank you, Chris. We wish you and your family the best.

**To emphasize our ongoing commitment to "unify" school districts**, we are glad to reaffirm the MEUHP and FTJ's continued partnership with broker/consultant, Tom Kayser with Sundvold Financial. Tom has participated in our last two Board meetings representing the 12 NEMO districts that joined the MEUHP on January 1, 2013. Our unified collaboration highlights how the MEUHP and FTJ can and will work with districts one on one, or together as one entire group to join the MEUHP--if they are an acceptable overall health risk and support the mission of the MEUHP. We strongly believe that our superintendent to

superintendent open and transparent discussions coupled with our transition to ASO/Stop Loss will help the MEUHP grow to over 20,000 members over the next several years.



Another positive note from our annual meeting and open enrollment is that participation in our **Consumer Driven Health Savings Account based plans is now over 60%**. These plans are central to our member education efforts to control healthcare costs through consumerism and wellness. These are key ingredients for our successful transition to our own self-funded program. Additionally, through our ASO/Stop Loss program beginning in 2014 our members will:




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We're all in this together

- Avoid the 2.54% of premium insurer fee. Using current renewal data this will save "us" approximately \$124 per member per year or **\$1.4 million annual savings**.
- Avoid community rating for our groups with less than 50 full time employees in 2014 and fewer than 100 employees beginning in 2016.
- Preserve our ability to offer a fair, flexible and data driven tier rating structure for all districts.
- Continue to be able to offer multiple plan options-including a comprehensive selection of Health Savings Account qualified plans, not just bronze, silver, gold or platinum-as mandated by the ACA.
- Continue to be able underwrite and risk evaluate all new groups (or entire consortiums) for membership to better ensure the stability of rates for current members.
- Build "our" own reserves to keep our program stable and responsive to our future health care needs.

**What will our 2014-15 renewal look like?** Many of the important and positive decisions on the future direction of our program have been made by the Board through this year's renewal negotiation. And, we thank you for your overwhelming support through this process. But, with health care provider and pharmacy inflation consistently outpacing CPI, and many other factors-including the unknown impact of the ACA, no one has a crystal ball when it comes to predicting future healthcare costs. Yet, there are number of concrete reasons we are very optimistic about our July 1, 2014-15 renewal, including:

- All of our member expenses and wellness incentives from 2013 "incurred claims" will be paid under our current fully insured contract. Therefore, we start with a clean slate in 2014, only paying our claims incurred 1-1-14 and later.
- Our member level deductibles and coinsurance reset on January 1<sup>st</sup>. Therefore, our first quarter claim lag will provide an additional cushion to our reserves.
- By 12-31-13 (based on current membership) we will have over \$500,000 in our trust reserve from our member dues and the additional 2% premium increase approved by the MEUHP Board of Directors as a part of our transitional renewal.

- Lastly, based on current membership and our 12% average renewal increase, our independent actuary conservatively estimates over \$4,000,000 will be in MEUHP trust reserves as of 6-30-14.

**Our unity, stability and diversity coupled with the initial jumpstart to our trust reserves** and our high Consumer Driven Plan participation should put our program on very solid ground for setting our 2014-15 renewal plans and rates. This should bode well not only for current members, but to help us attract good new districts (or entire consortiums) that also want to be in a program which is:

- Member governed with complete transparency.
- Well positioned for ACA compliance and efficiencies. And...
- Focused on our mission of providing quality and stable healthcare benefits--long term.

We will address key items for our organization and our transition at our summer Board planning meeting scheduled for July 25-26 in Kansas City. **The Board requests that Vice Chairs attend this meeting if possible.** Our unity and teamwork will allow all of us to openly communicate this fall among members and prospects about the positive direction of our program. Our upcoming newsletters will also include information on our ASO/Stop Loss program and updates on the ACA. In the meantime, if you have questions, concerns or want to provide your input, please contact me, your Regional Board member or your FTJ representative.

I have never been more optimistic about our future. **This truly is the very best opportunity for Missouri school districts to own our future for quality, affordable and stable health benefits.** Now more than ever, we are all in this together!

Thank you for your continued membership and support.

Sincerely,



Ken Cook  
President

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