



MISSOURI EDUCATORS  
UNIFIED HEALTH PLAN, INC.

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**"Unified for Strength, Stability & Service"**

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**Ken Cook**, President • **Wayne Stewart**, Vice President • **Dr. Jeff Lindsey**, Treasurer • **Dianna Hoenes**, Secretary

5/25/2010

Dear MEUHP Members,

July 1, 2010 marks the beginning of the second year of the MEUHP and I would like to take a moment of your time to reflect on our short history and discuss our future.

It has been a dream of mine for several years to create a not-for-profit corporation that would work in school districts best interest to provide quality health care insurance at a reasonable price. Since the fall of 2008 when the first committee meetings were held, with the leadership of Jim Ruse, superintendent at Gallatin and Jerry Noble, superintendent at Kennett, application was made to the Secretary of State's office to form a not-for-profit corporation which ultimately has become the MEUHP. The Board of Directors at that time voted to contract with Forrest T. Jones as the plan administrator and Anthem as the insurance carrier. Since that time the relationship between the three entities has grown along with our program.

What we could not forecast when this program began is the impact that the state budget would have on school districts, which has caused all school districts to look carefully at finances. While a few of our membership decided to leave the program, many more are coming in because of the stability that our program is offering. I want to personally thank you for your commitment to our program and your renewal for the 2010-11 school year.

In April Anthem gave a report to the Board of Directors on the current status of claims vs. premium. I am happy to report that our program continues to see a downward trend in claims which will be the basis for the next renewal. I think there are a number of factors that are affecting this downward trend, including more members on Health Savings Accounts and utilization of the health assessments and 24/7 nurse line services that Anthem offers in conjunction with our program. On the flip side, we must also be honest with ourselves and recognize that new Federal and state laws mandating new benefits for mental health and the treatment of autism will no doubt have some impact on future claims.

As we move forward I feel it is important that we convey to our staff the importance of utilizing the healthy initiatives to control costs along with common sense use of healthcare services. Insurance is like any other business; they are there to make a profit and if our claims are more than the premiums, then our rates must increase to cover the claims. But, the reverse is also true and if we are to control rates, we must encourage our staff to participate in programs that create healthier individuals and wiser consumers so that we can continue to provide a quality health insurance program for many years to come.

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

Missouri Educators Unified Health Plan, Inc. • 3130 Broadway • Kansas City, Missouri 64111  
www.MEUHP.com • info@meuhp.com • (800) 821-7303 • Fax: (816) 968-0557



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Health Care Reform is a big issue right now and there are many insurance companies presenting seminars on the changes that Health Care Reform will bring. But, the fact of the matter is that many of the rules and regulations have yet to be written. I firmly believe that by working together as one large group we are and will continue to be in the best position to meet this and other future challenges.

Most of the key elements of the Act are already met by the MEUHP, and they include:

- Age 26 dependent age eligibility
- Medical Loss Ratio of 85% or more
- No Pre-X on children
- No Pre-X for new hires
- No limit on lifetime benefits

Also included in this legislation, beginning in 2011, employees will no longer be able to receive pre-tax reimbursements for their non-prescribed over the counter medications. In the past, people with a Flex Spending Account or a Health Savings Account could purchase over the counter medications without a prescription, now only prescription medications will qualify. The excise tax on non-qualified HSA withdrawals will increase from 10% to 20%. In 2013, employee contributions to Flex Spending Accounts (unreimbursed healthcare expenses) will be capped at \$2500 annually, with the cap adjusted annually to the Consumer Price Index.

Health Care Reform will be a topic at the upcoming regional meetings during the month of June. I hope you will make plans to attend your regional meeting.

What does the future hold for the MEUHP? I have seen continual growth from the official beginning of July 1, 2009 to the present. We began the program with 87 school districts and 8700 insured and are now at 93 school districts and over 9300 insured, with several districts looking at coming in on their renewal date during the 2010-11 school year. With our strong foundation and mission of providing strength, stability and service through unity, I know that over time if we continue on the course we are on, that we will become the organization of choice as well. When that happens, we will truly be in a position to provide stability and cost control to our program. It is up to us to work "together" to achieve this goal.

I thank you for your commitment to your program. Please do not hesitate to contact me or any of the other regional members of the Board of Directors if you have questions or concerns.

Sincerely,

Kenneth W. Cook, President