

Health Awareness

A County Health Pool Publication



November, 2010

County Health Pool Renewal Meeting

The County Health Pool (CHP) held its annual Board and Membership renewal meeting on September 23, 2010. Due to heightened concerns about healthcare benefits and the ever increasing impact to the budgets of employers and employees, the meeting was once again very well attended.

Historically, the CHP has experienced less than the national industry average increase and as a result, maintained increases of 0-8% over the past 5 years. This trend was accomplished again for the 2011 renewal.

The 2011 national industry increases on average will be 10-16%. You will be pleased to know that CHP voted to take an 8% increase, even with the increased costs of health care reform.

CHP was again able to maintain a relatively low increase as a



result of low overhead costs, cost containment and the members continued commitment to becoming wiser health consumers.

CHP was still able to maintain all medical and prescription benefit plans at their current levels. In addition, there was no dental, vision or life benefit change or rate increase.

As a result of the Patient Protection and Affordability Care Act (PPACA), passed in March, 2010 the County Health Pool is required to adopt the mandated changes for the 2011 policy year. Approximately 4% of the 8% increase is due to the following mandated changes:

1. Removal of the plan's annual lifetime maximum (2010 lifetime maximum is 4 million)
2. Removal of the plan's annual maximum for certain essential benefits defined by the Health and Human Services: (ambulance annual maximum of \$500 for ground and \$10,000 for air).
3. Removal of cost sharing for those preventative services mandated by the health care reform.
4. Removal of pre-existing exclusion limitation period for children under age 19.



(Over)

CHP Renewal Meeting

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5. No rescission of health coverage unless there is a case of fraud or intentional misrepresentation of material fact.
6. Extension of dependent coverage to age 26
7. Mandated autism spectrum disorder coverage

FSA, HSA, HRA

As part of the Health Care Reform Law, the following changes may affect you and your dependents if you are enrolled in an Health Savings Account (HSA) or Flexible Spending Account (FSA);

For those individuals enrolled in an HSA, FSA, and/or Health Reimbursement Account (HRA), effective January 1, 2011, over the counter (OTC) medicines and drugs will generally not be eligible expenses unless they are accompanied by a prescription.

For individuals enrolled in an HSA, the tax penalty on non-qualified medical expenses will increase from 10% to 20%.

In addition to the CHP funding level, a review of the CHP surplus

was also evaluated for its adequacy.

It was determined that the CHP surplus continues to meet the Board adopted ratios, even with the changes required from the Health Care Reform Law. Those required portions are to be implemented in the 2011 plan year.

The CHP surplus is utilized to benefit members throughout both current and subsequent years for maintaining minimum cost increases while adding desired plan enhancements.

The use of CHP surplus in this manner has been determined to produce the maximum benefit to members rather than a one-time holiday deposit approach.

Current and Future Successes

The current and future financial successes of the County Health Pool and its members is predicated by their underlying commitment to cost containment. This is especially true in the following areas;

- Participation costs are set by the CHP Board and members representing member counties.
- Providing the opportunity to

earn credits for good loss experience.

- Utilizing the leverage provided by the law of large numbers.
- Creating benefit designs which encourage wise consumer (patient) decisions.
- Maintaining rate stability through membership in a larger group and appropriate utilization of surplus.
- Healthcare consumer training and information to assist employees and their families in making wise healthcare decisions.
- ASO and network access contracted through Anthem BC/BS providing maximum access along with maximum discounts.

Because of the self-governance of the pool by its members, the low overhead and low fixed costs, the County Health Pool continues to maintain its status as the best option for local governments in Colorado.

Benefits Corner

Announcement

For information regarding the 2011 CHP benefits, please contact your CHP contact or your CTSI Benefits Administrator at 303-861-0507.

Copies of the 2011 CHP Benefit Summaries and Plan Documents are available at www.ctsi.org