

2020 CCOGA POOL RENEWAL

SOUTHWEST WEST CENTRAL SERVICE COOPERATIVE

SWWC

Education & Administrative Resources

Small Group Meeting
August 7, 2019

CCOGA Pool Governance and Management

I. SWWC Joint Powers Board of Directors

II. CCOGA Pool Advisory Committee

- Darin Balken – Prairie Lakes Youth Programs - Director
- Rollie Neilson – Kandiyohi County - Commissioner
- Susan Skattum – Rock County - Assistant County Administrator
- Sharon Hansen – City of Marshall - City Administrator
- Stacy Knott – Renville County – Labor Representative
- Crystal Johnson – City of Granite Falls - City Administrator

III. SWWC Pool Management Staff

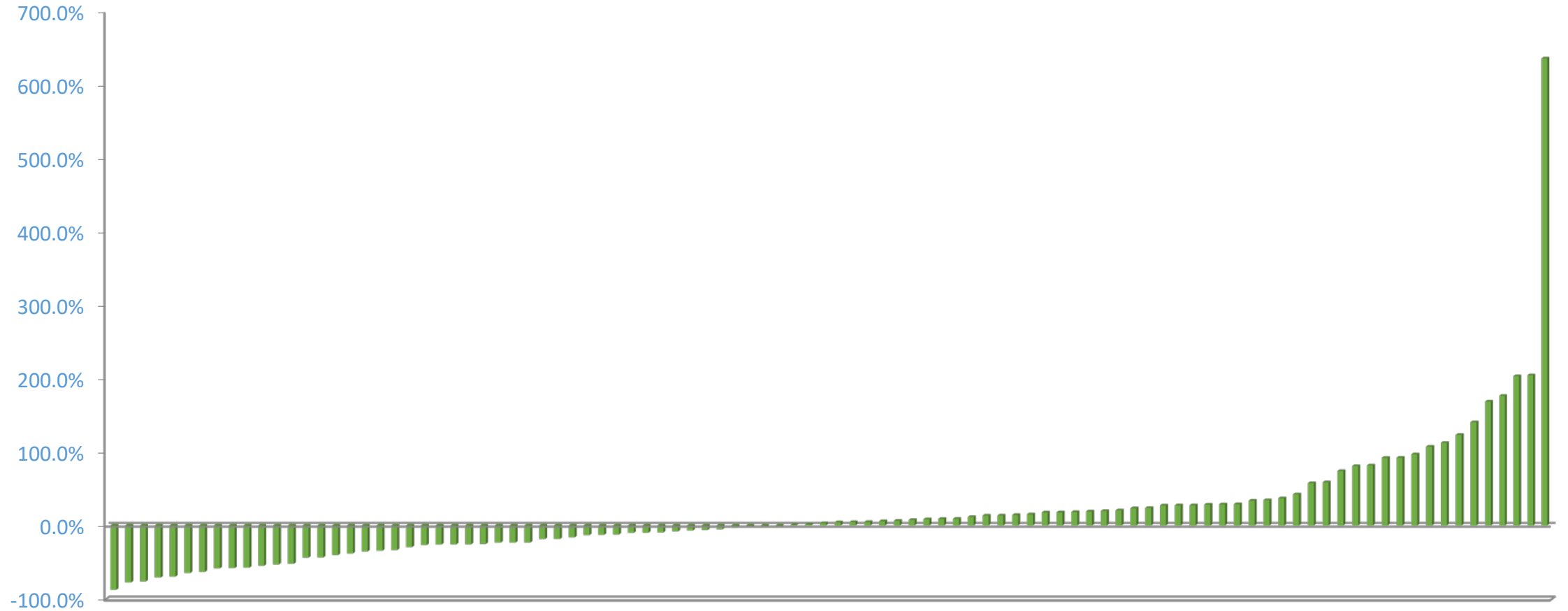
- Doug Deragisch – Senior Director of Administrative Services
- Mari Wagner – Insurance Specialist
- Kari Bailey – Regional Wellness Specialist
- Bobbie Carmody – Administrative Assistant

IV. BCBS Client Executive – Geoff Martinson

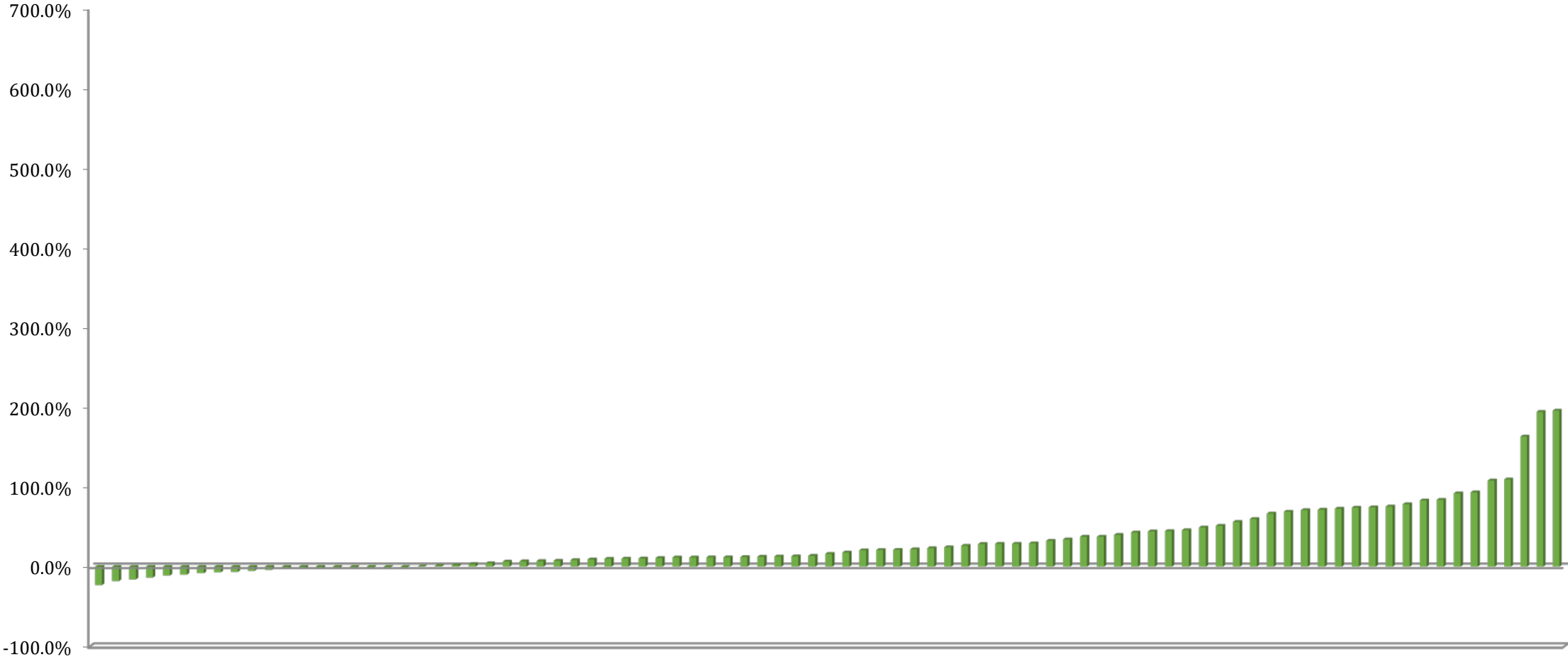
What is Expected Through Increased Statewide Collaboration and Rating Methodologies?

- 1) Reduce Premium Volatility
- 2) Reduce the Rate of Healthcare Premium Inflation
- 3) Develop and Implement Statewide Best Practices
- 4) Reduce Regional Redundancy and Expense of Third Party Administration

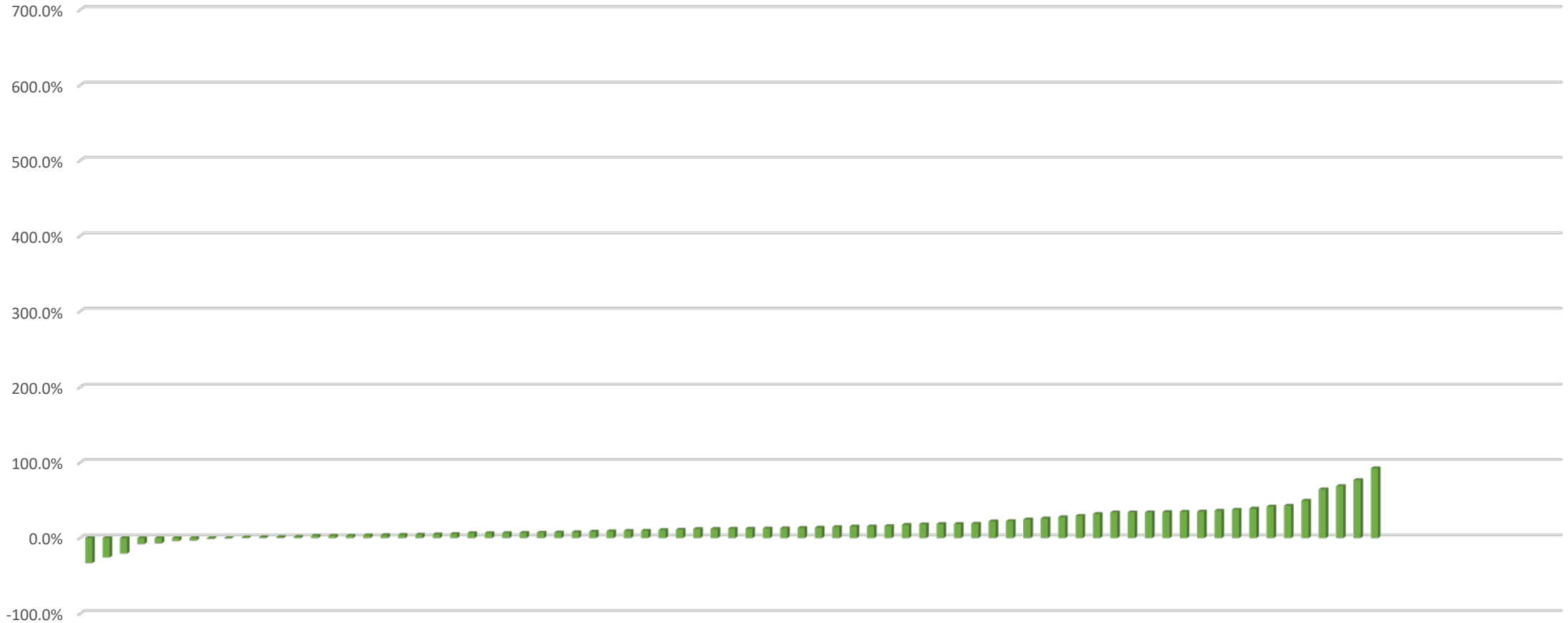
2017 Needed Increases (Prior to MHC)



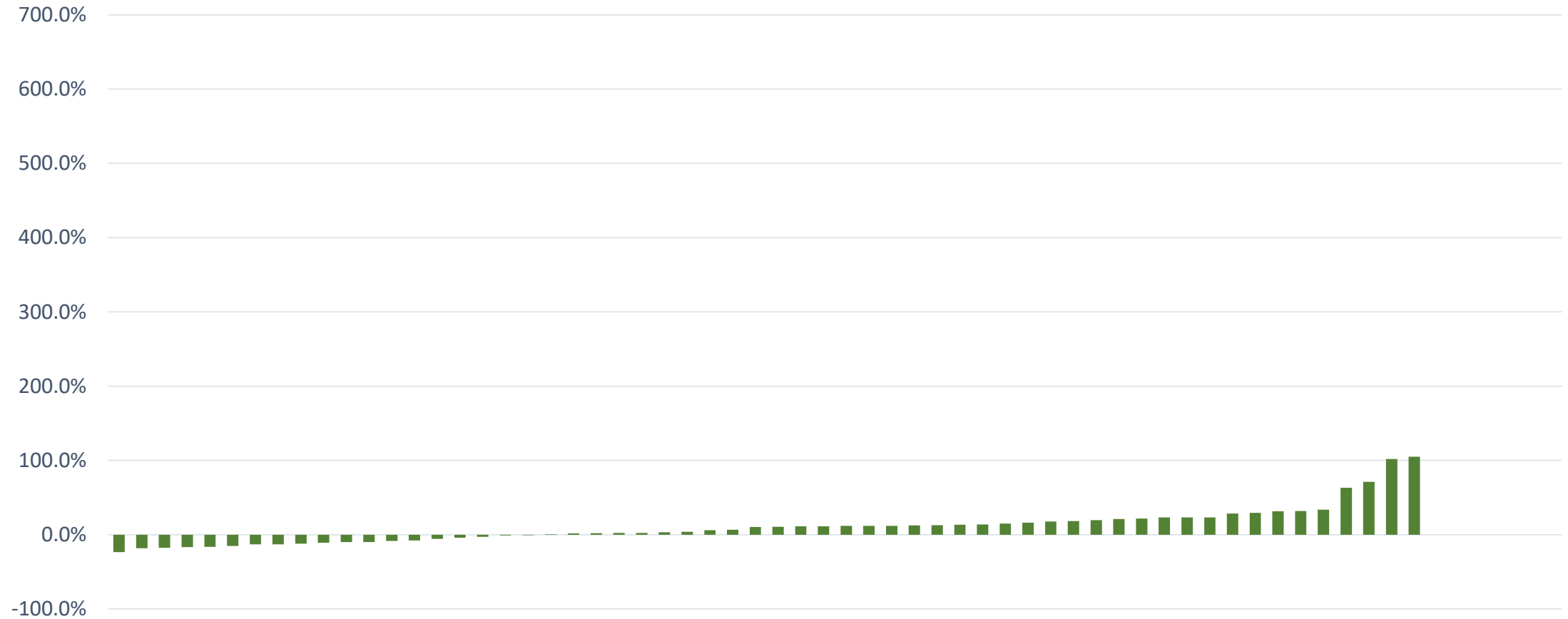
2018 Needed Increases (Year 1 of MHC)



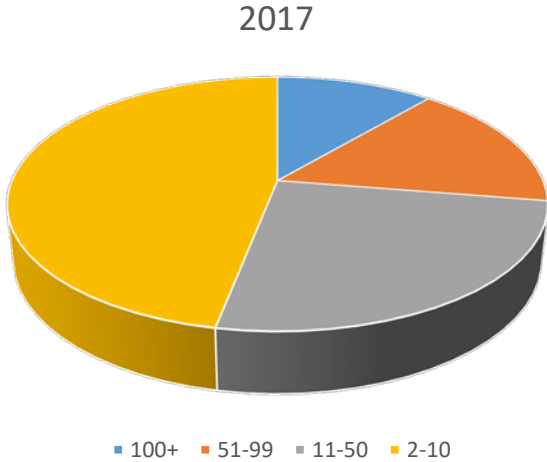
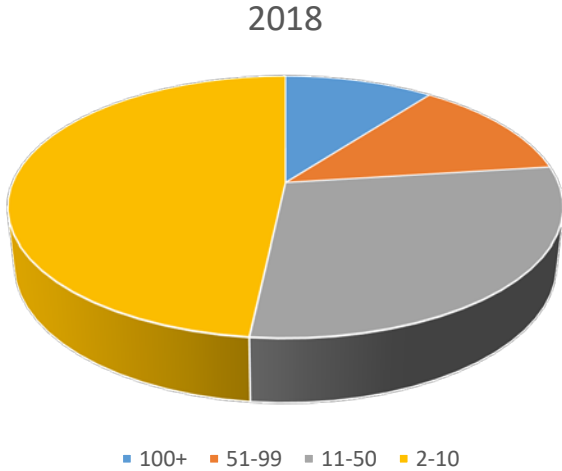
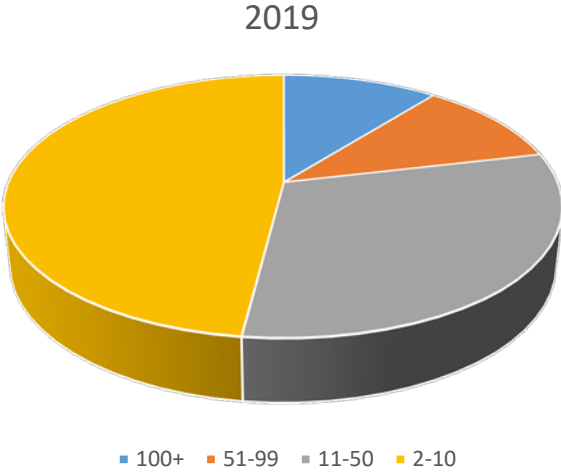
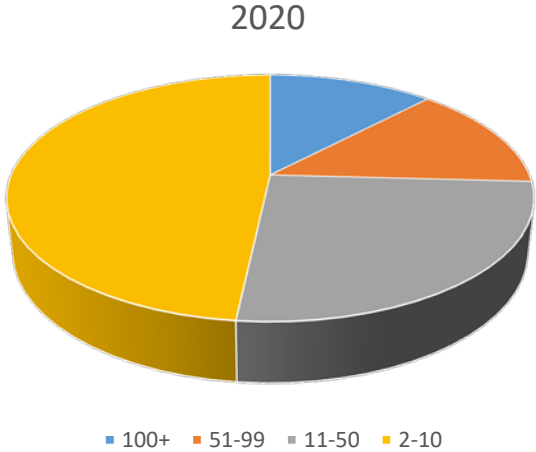
2019 Needed Increase (Year 2 of MHC)



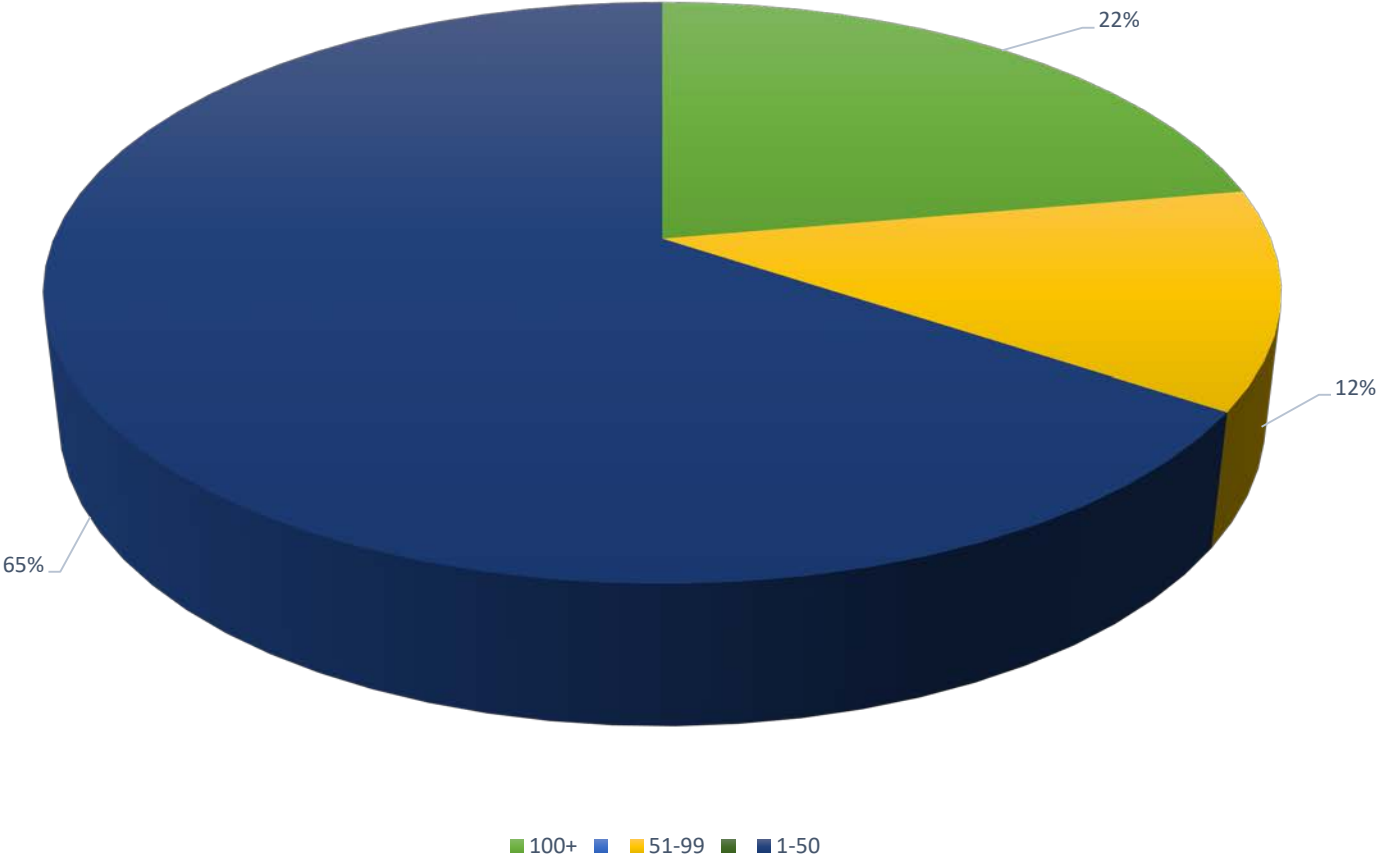
2020 Needed Increase (Year 3 of MHC)



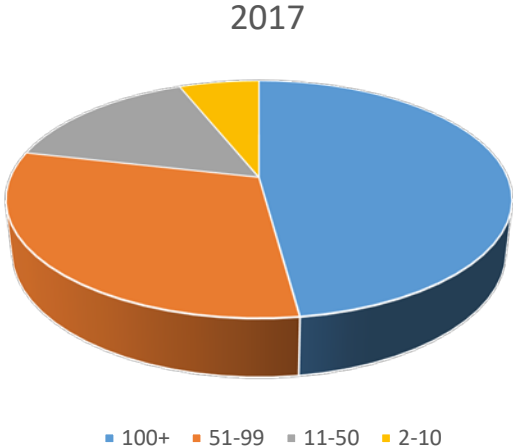
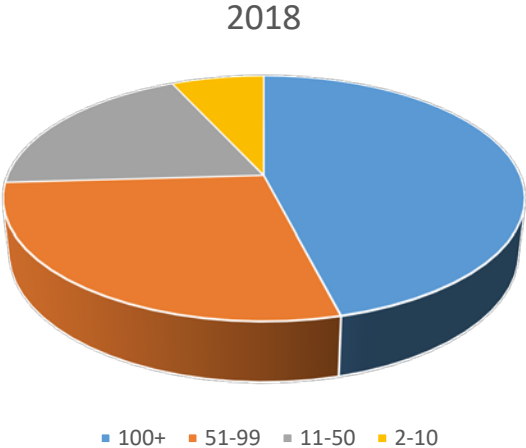
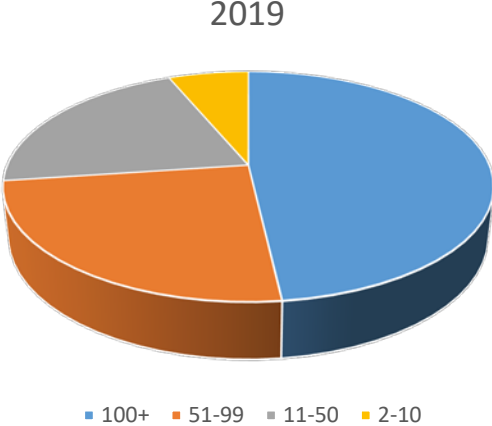
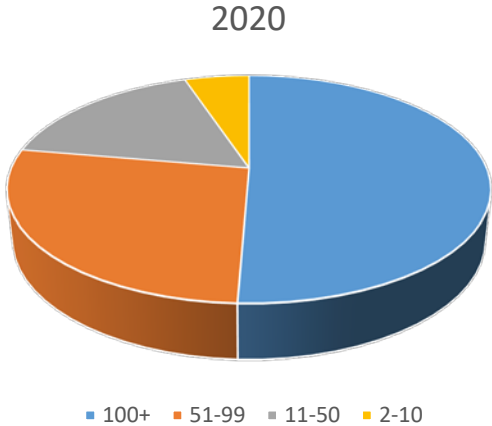
CCOGA Pool by Groups



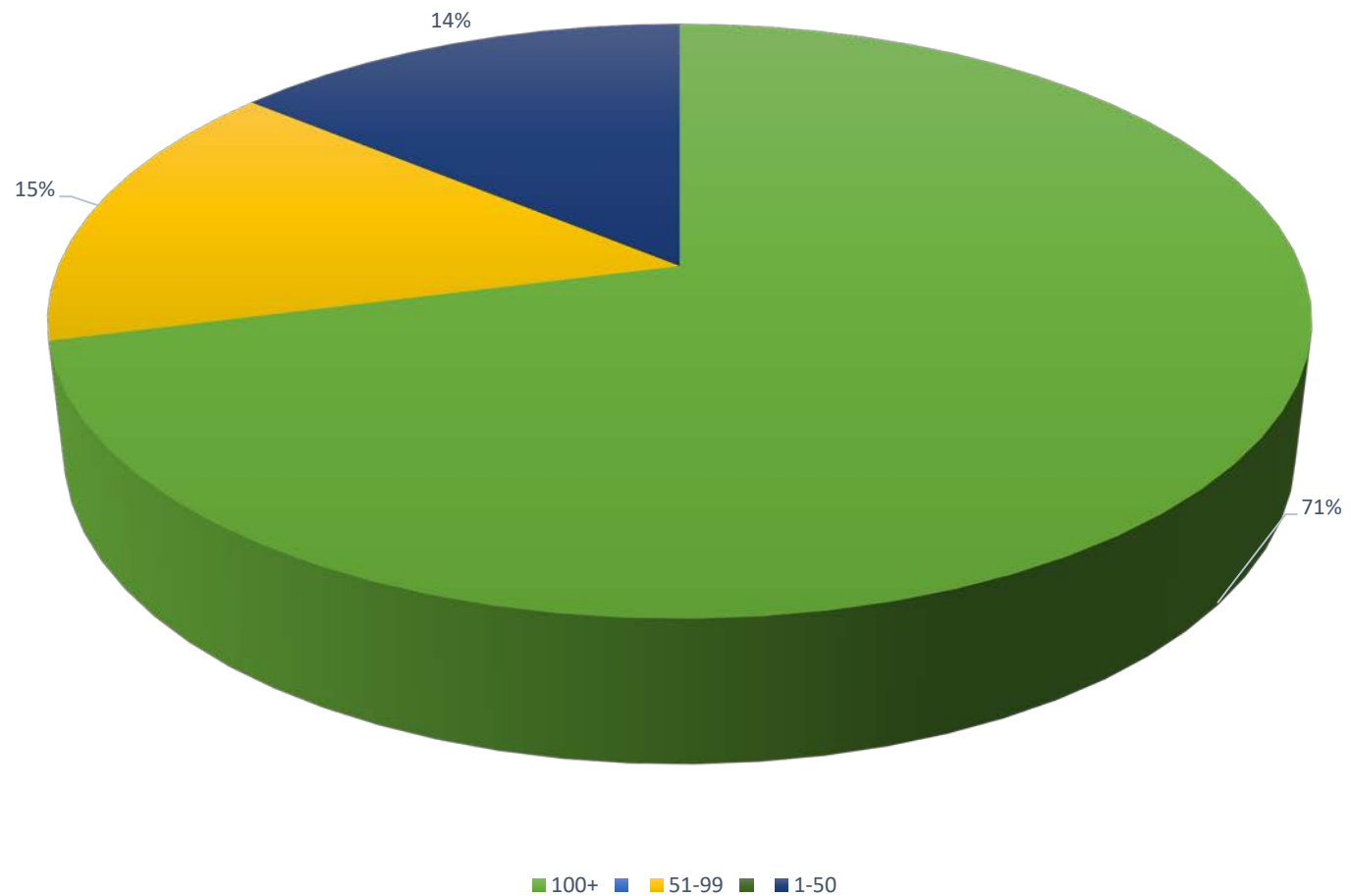
MHC Pool by Groups



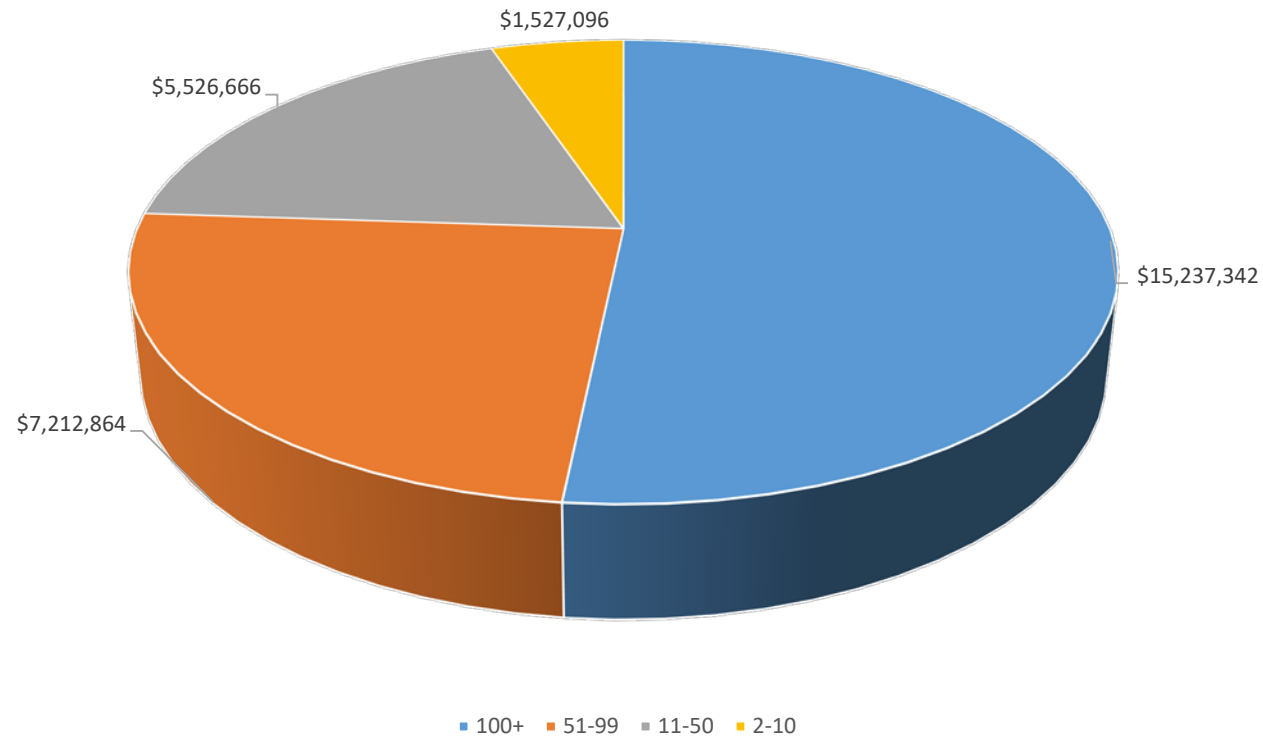
CCOGA Pool by Contracts



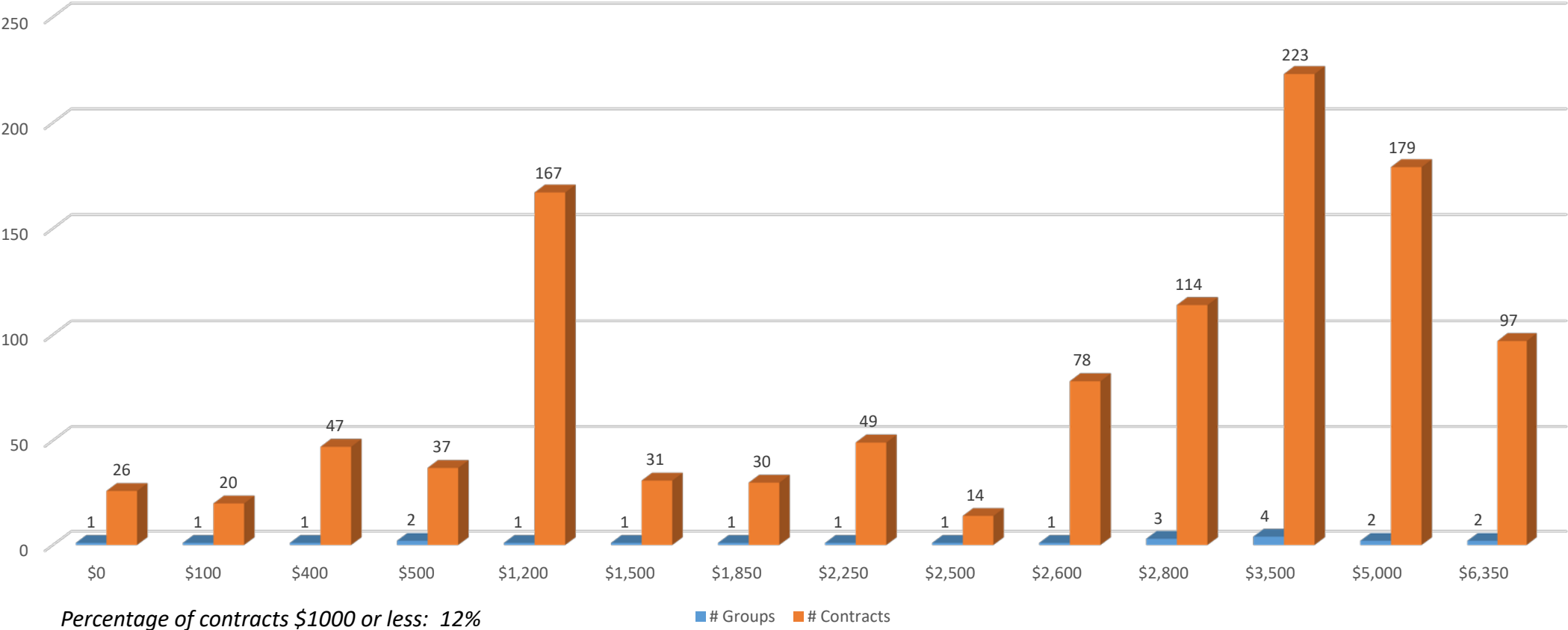
MHC Pool by Contracts



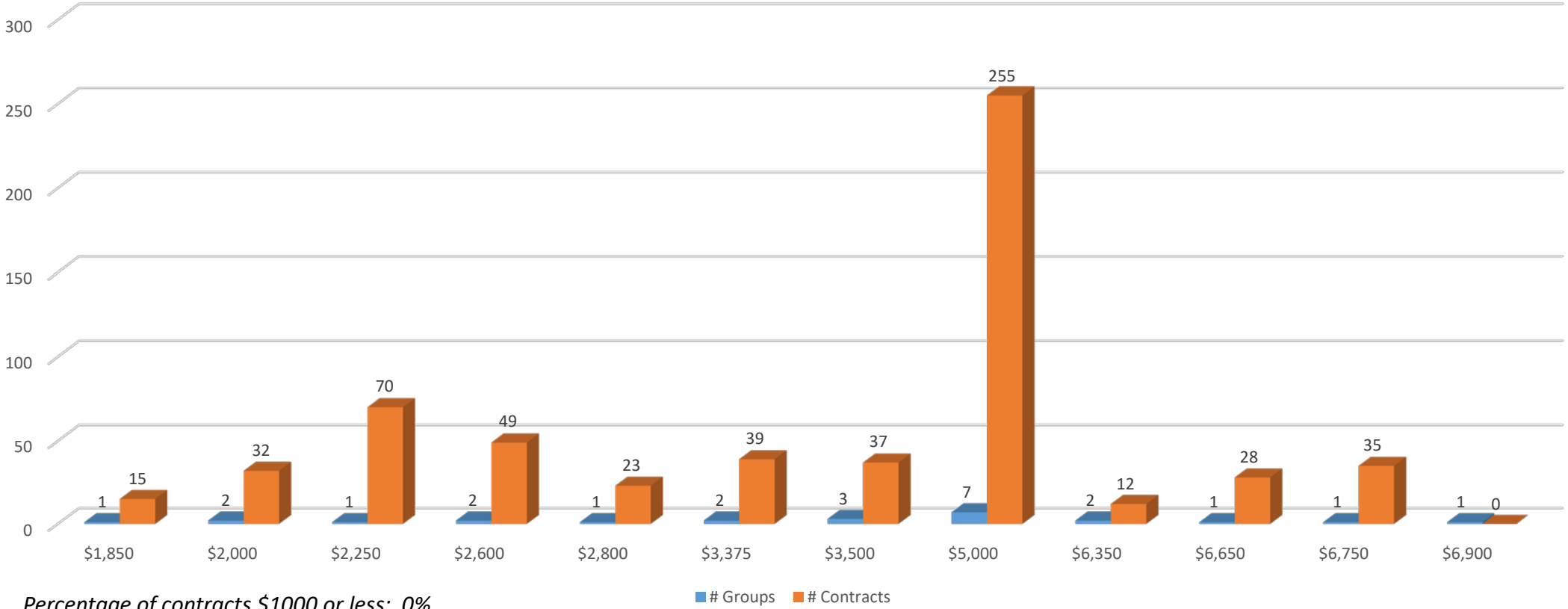
CCOGA Pool by Total Current Premium



SWWC COGA Renewal Plans and Contracts Large Groups



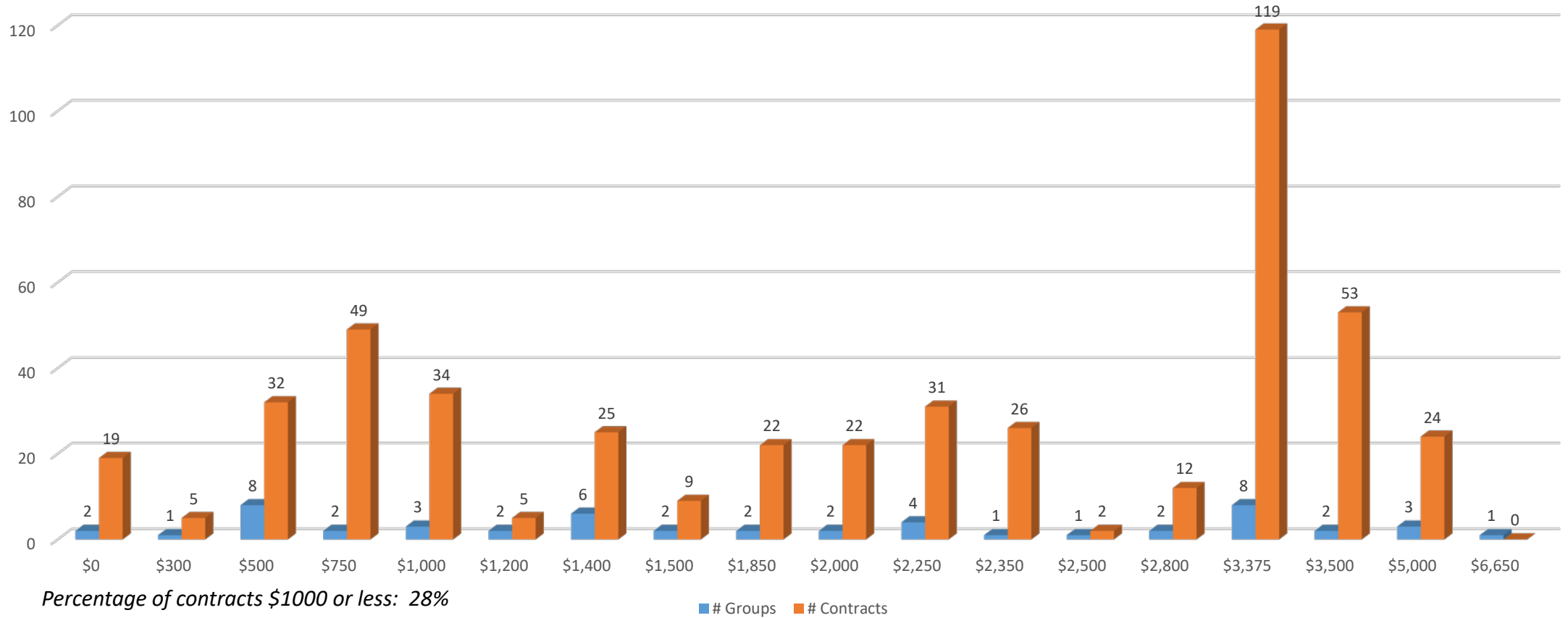
SWWC CCOGA Renewal Plans and Contracts Medium Groups



Percentage of contracts \$1000 or less: 0%



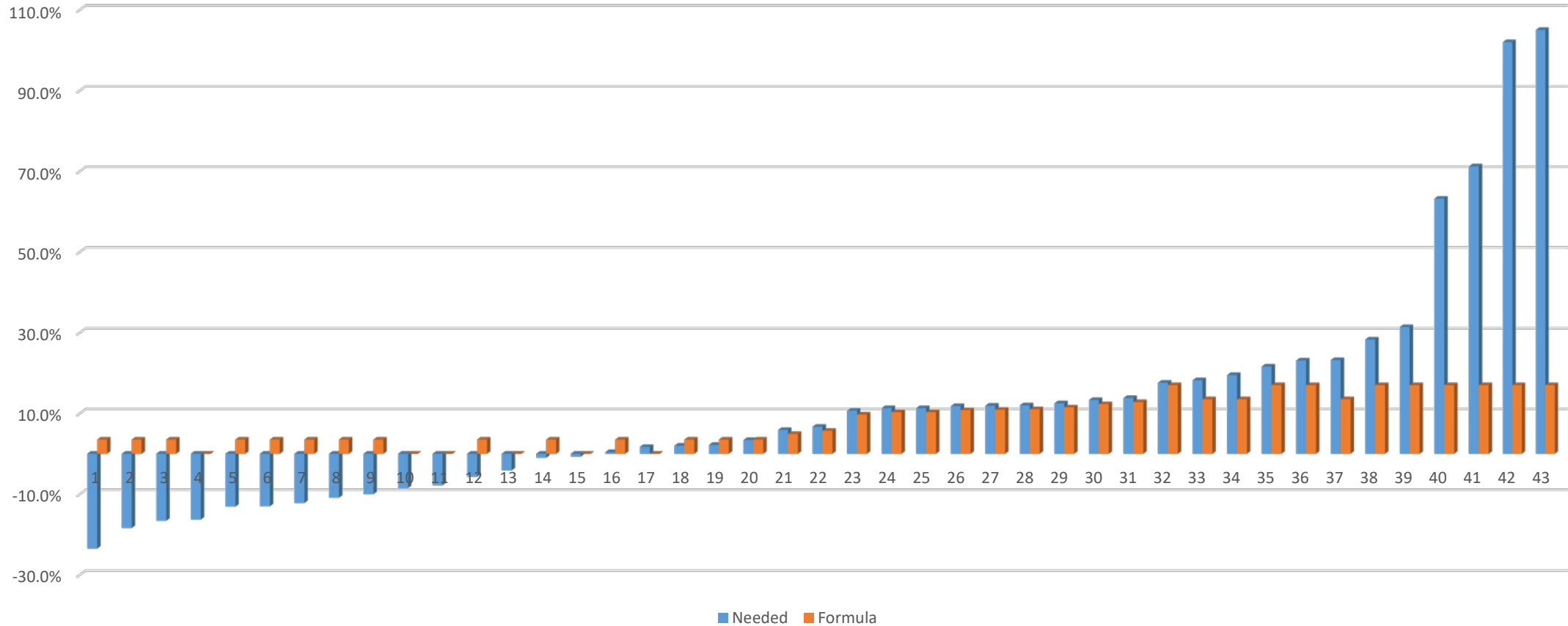
SWWC COGA Renewal Plans and Contracts Small Groups



JPA Board Approved 2020 Formula

100+ Contracts	MIN -7.5% to MAX 8.5% (-2% between MIN/MAX)	1 Paying More; 5 Paying Less; 1 NA
51-99 Contracts	MIN -5.0% to MAX of 9.5% (-1.5% between MIN/MAX)	2 Paying More; 6 Paying Less
11-50 Contracts	MIN 0.0% to MAX of 13.5% (-1% between MIN/MAX)	5 Paying More; 10 Paying Less
2-10 Contracts	MIN 3.5% to MAX of 17% (-1% between MIN/MAX)	14 Paying More; 14 Paying Less

2020 CCOGA Renewal Needed vs. Formula Applied Small Groups



Formula History

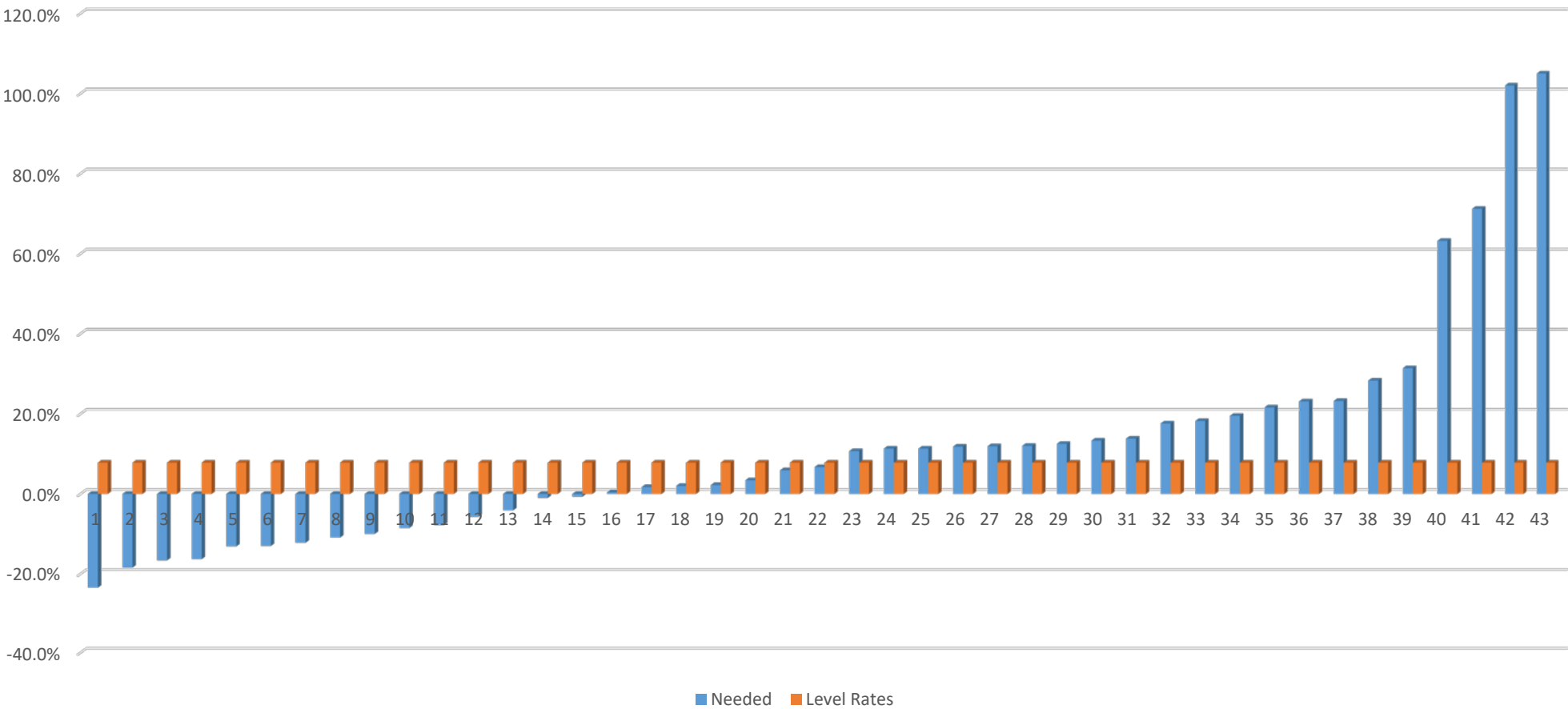
	2020		2019		2018		2017*	
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX
100+	-7.5%	8.5%	0.0%	15.0%	-5.0%	19.0%	1.0%	19.5%
51-99	-5.0%	9.5%	2.5%	19.0%	0.0%	29.0%	3.5%	24.5%
11-50	0.0%	13.5%	4.0%	25.0%	2.5%	38.0%	6.0%	29.5%
2-10	3.5%	17.0%	6.0%	28.0%	6.0%	43.0%		

*Last year of old rating methodology & we didn't differentiate groups under 51

SWWC Small Group 'Level Rating' Concept

- To reduce the year-to-year rate fluctuation a concept has emerged to provide the entire small group with the same rate increase.
- Example:
 - This year the current premium of all groups with 50 or less contracts was \$7,053,762
 - The total needed income for 2020 is \$7,642,209
 - This is an 8.3% needed premium increase.
- The 'Level Rating' for 2020 would apply a 7.8% with a needed of 8.3% increase to all groups regardless of what they calculated.
 - MIN 0% MAX 13.5% and MIN 3.5% MAX 17%
- This would be used ongoing to help with the rate fluctuation from year-to-year but will evaluate the increase based on yearly needed increase minus any Pool subsidy applied.
- In 2019 it would have been: 12.6% with a needed of 15.9%
 - MIN 4% MAX 25% and MIN 6% MAX 28%
- In 2018 it would have been: 14.9% with a needed of 20.8%
 - MIN 2.5% MAX 38% and MIN 6% MAX 43%
- In this model there will be NO individual renewal booklets. Data will only be reported as an aggregate.
- Could possibly lead to a MHC statewide level rating methodology or even a limited number of common plans?

2020 CCOGA Renewal With Use of 'Level Rating'



SWWC Small Group 'Level Rating' Concept

Thoughts/Questions/Concerns?