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**SCHOOLCARE** HEALTH BENEFIT PLANS OF

THE NH SCHOOL HEALTH CARE COALITION

# Business Reports

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**Annual Meeting**  
**November 3, 2010**

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# 2009-10 Highlights

- Staff made scheduled visits to more than 90% of members' offices
- HRA Challenge – 12 groups participated to date
- Piloted Olympic Challenge Adventure in 4 districts
  - *Available in 2011 for ALL member groups*
- Association of Governmental Risk Pools (AGRiP) Recognition
- 100% renewal of existing groups
- 7 new groups = 30% growth
- Dental Coverage options

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# Dental Coverage

- Market analysis indicates 10% average savings
- Variety of plans to match existing benefit design
- Employees choose any dentist, in or out of CIGNA's Preferred Provider network
- Never subject to excess charges or balance billing for non-participating providers
- Benefits of participating in the SCHOOLCARE medical and dental programs include:
  - Lower administrative and risk charges
  - Dedicated member services staff for claims and eligibility issues
  - Integration of medical and dental benefits to improve members' overall quality of care

# 2009-10 Financial Results

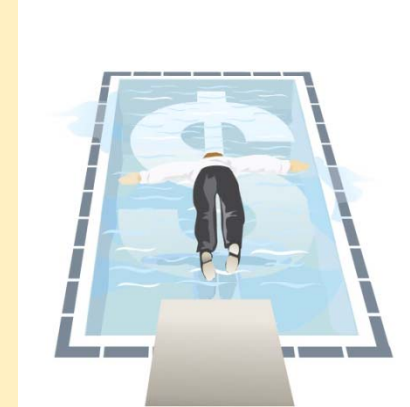
- **Contributions/Investments/Income**
  - \$81.3 million
- **Claims Expense/Insurance/Admin**
  - \$77.2 million
- **Surplus \$4.1 million**



Why?   **Claims** ↓  
                  **Return on investment** ↑

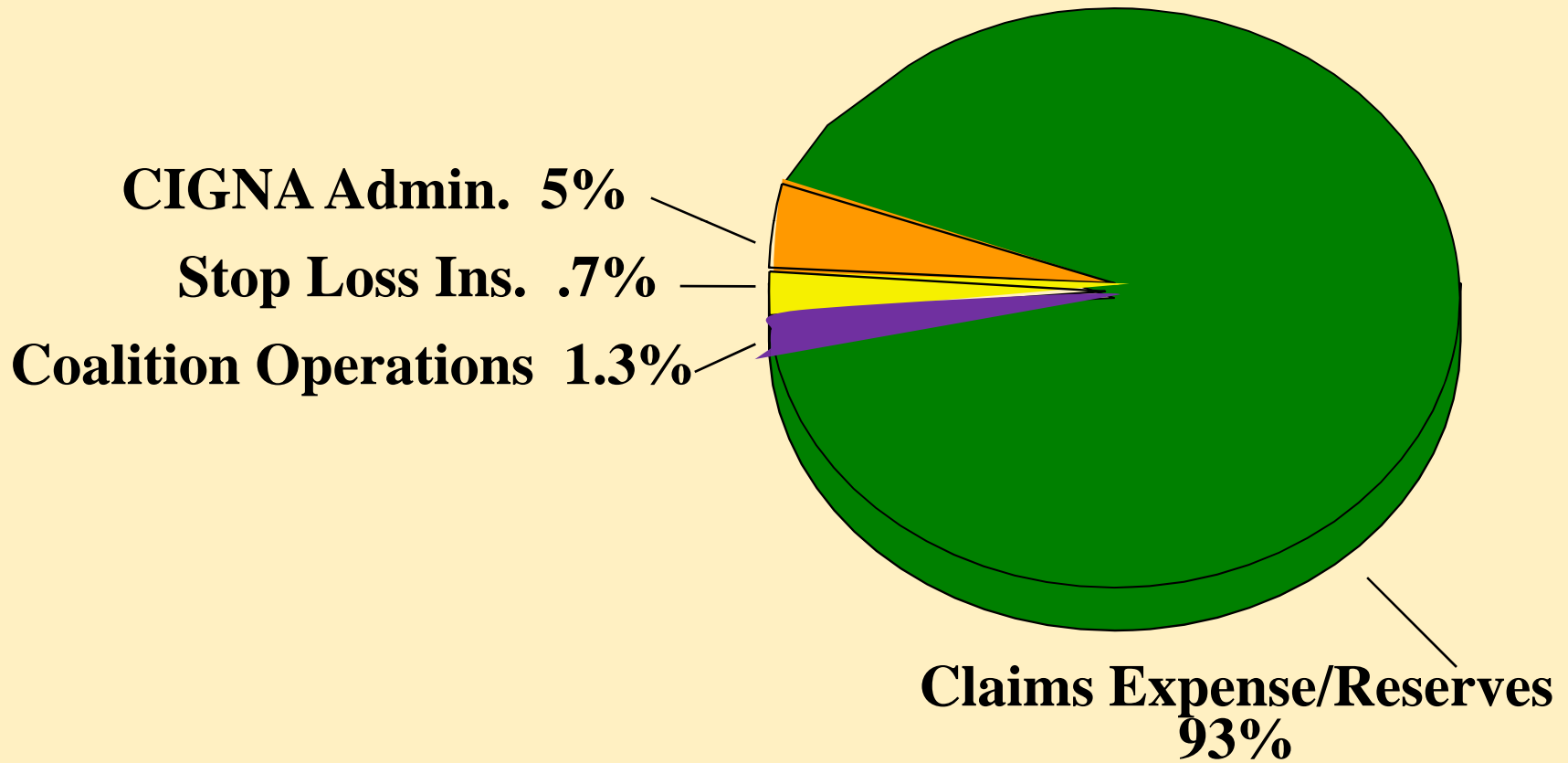
# Net Assets

- **Fund Balance = Members' Equity**  
\$38 million



- **Designated \$35.6 million (self-insurance)**
  - SCHOOLCARE 65+ - \$2.2 million
  - Medical Claims Stabilization- \$18.4 million
  - Rate Stabilization - \$15.0 million (\$2 million applied to 2010-11 rates)
- **Undesignated \$2.4 million**

# Your Premium Dollar



# Rating Objectives

## ■ Predictability

- Guarantee rates for negotiations and budgeting by December 1

## ■ Stability

- Minimize fluctuations from year to year
  - 2007-08: 5.9%
  - 2008-09: 2.6%
  - 2009-10: 6.5%
  - 2010-11: 2.2%

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# Preliminary Rate Indication

- Willis and Staff Recommendation:
  - Apply \$5 million of the Designated Rate Stabilization fund to reduce average increase to 6.2%
  - Benefit plan designs enhanced due to health care reform (age 26, no cost preventive, no annual limits, no lifetime limits, etc.)

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# July 1, 2011 Benefit Changes

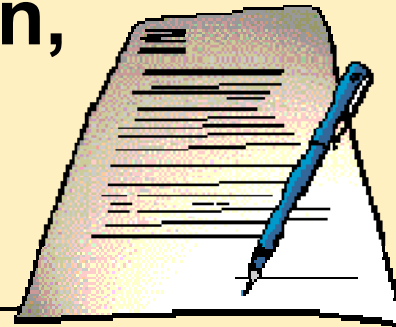
- Increase age limit to age 26 for uninsured dependents
- Remove lifetime limit on essential benefits
- Remove annual dollar limits on essential benefits *(presumption that # of visits, # of procedures, and limits on cost are permissible)*
- Remove office visit copay on preventive

# 2010-2011 Rates

- **Notices to each member by Dec. 1**
  - **Employer and Employee**



- **To renew and lock in,  
sign by Feb. 1**



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# Choices

- **If member accepts rate by February 1, the Coalition can guarantee it for 2011-12, regardless of how claims may change**
- **If member does not accept by February 1, the Coalition reserves the right to re-rate, based on more recent claims experience**
- **Members must notify the Coalition within 45 days of July 1 if wishing to non-renew**

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# Questions?