

*Maryland Local Government  
Health Cooperative*



[www.lgit.org](http://www.lgit.org)

[www.benecon.com](http://www.benecon.com)

*WEBINAR PRESENTATION FOR TUESDAY, FEBRUARY 5<sup>TH</sup> AND  
THURSDAY, FEBRUARY 14<sup>TH</sup>, 2013*

# Maryland Local Government Health Cooperative

Cooperative Membership	Employees
City of <b>Aberdeen</b>	133
City of <b>Brunswick</b>	37
City of <b>College Park</b>	74
Town of <b>Chesapeake Beach</b>	17
City of <b>Cumberland</b>	245
City of <b>Gaithersburg</b>	246
<b>Kent County</b>	217
<b>Local Government Insurance Trust</b>	33
<b>Maryland Municipal League</b>	10
Town of <b>Middletown</b>	12
City of <b>New Carrollton</b>	55
Town of <b>Port Deposit</b>	6
City of <b>Westminster</b>	141
Current Total:	1226

## Partnership Roles

- LGIT Board retains policy oversight
- LGIT functions as Treasurer
- LGIT will be responsible for an Annual Audit
- LGIT/Benecon will share billing

## Benecon Background

- Specialization-Developing Municipal Health Insurance Cooperatives
- First municipal cooperative started in 1991-Intergovernmental Insurance Cooperative (IIC)
- Cooperative Model provides for surplus funds to be returned to member municipal entities each year
- Cooperative Model has no assessment provision

2012 Percentage of Total Funding		
Stop Loss Premium:	\$1,475,553	14.71%
Aggregate Premium:	\$61,128	0.61%
Claim Fund:	\$7,734,753	77.13%
Management Fees:	\$713,424	7.11%
CC3 Fees:	\$43,200	0.43%
Total Global Funding:	\$10,028,058	

# Why join the MLGHC?

*As a member, you gain ....*

- SAVINGS
- CONTROL
- TRANSPARENCY
- PROTECTION
- SUPPORT
- RESOURCES

# Savings

*As a member, you will....*

- Retain premium dollars that typically go to the insurance carrier (SURPLUS)
- Save up to 50% on administrative costs for fully insured plans
- Achieve immediate savings from initiatives that control claim costs
- Pay the lowest appropriate premium

# Control

*As a member, you will ....*

- Control what benefits you offer your employees
- Manage your health benefits by understanding the cost drivers and how to design changes that lower those costs
- Know your funding and renewals are controlled by actuaries that work for you
- Own and have a voice in the running of the cooperative

# Transparency

*As a member, you will ....*

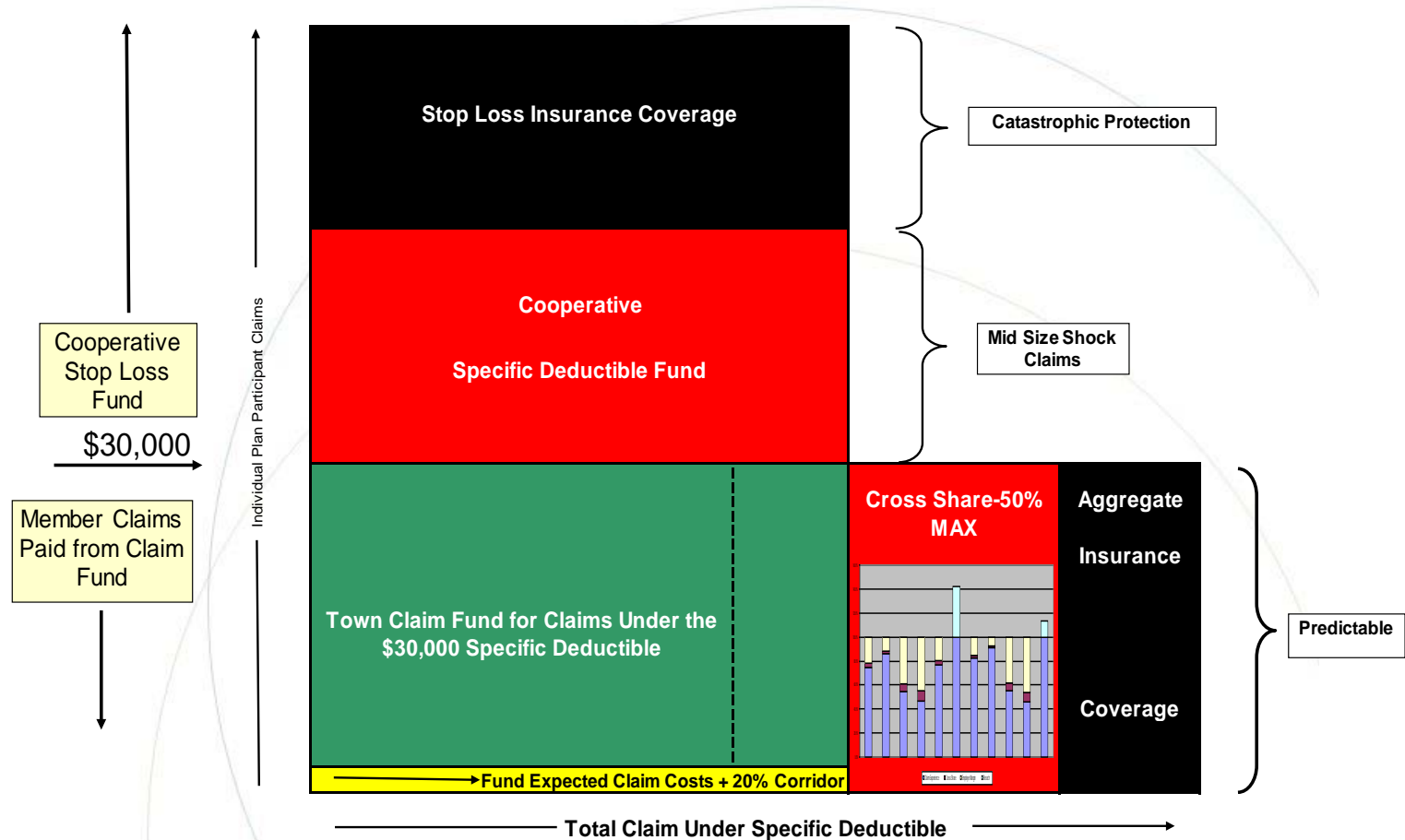
- Know where every dollar is spent for claims, administration and insurance protection
- Learn what is causing your claim utilization through detailed claim data
- Receive a full accounting of the performance of your plan
- Know how your rates are developed and what's driving your next renewal

# Protection

*The cooperative will provide a member with ....*

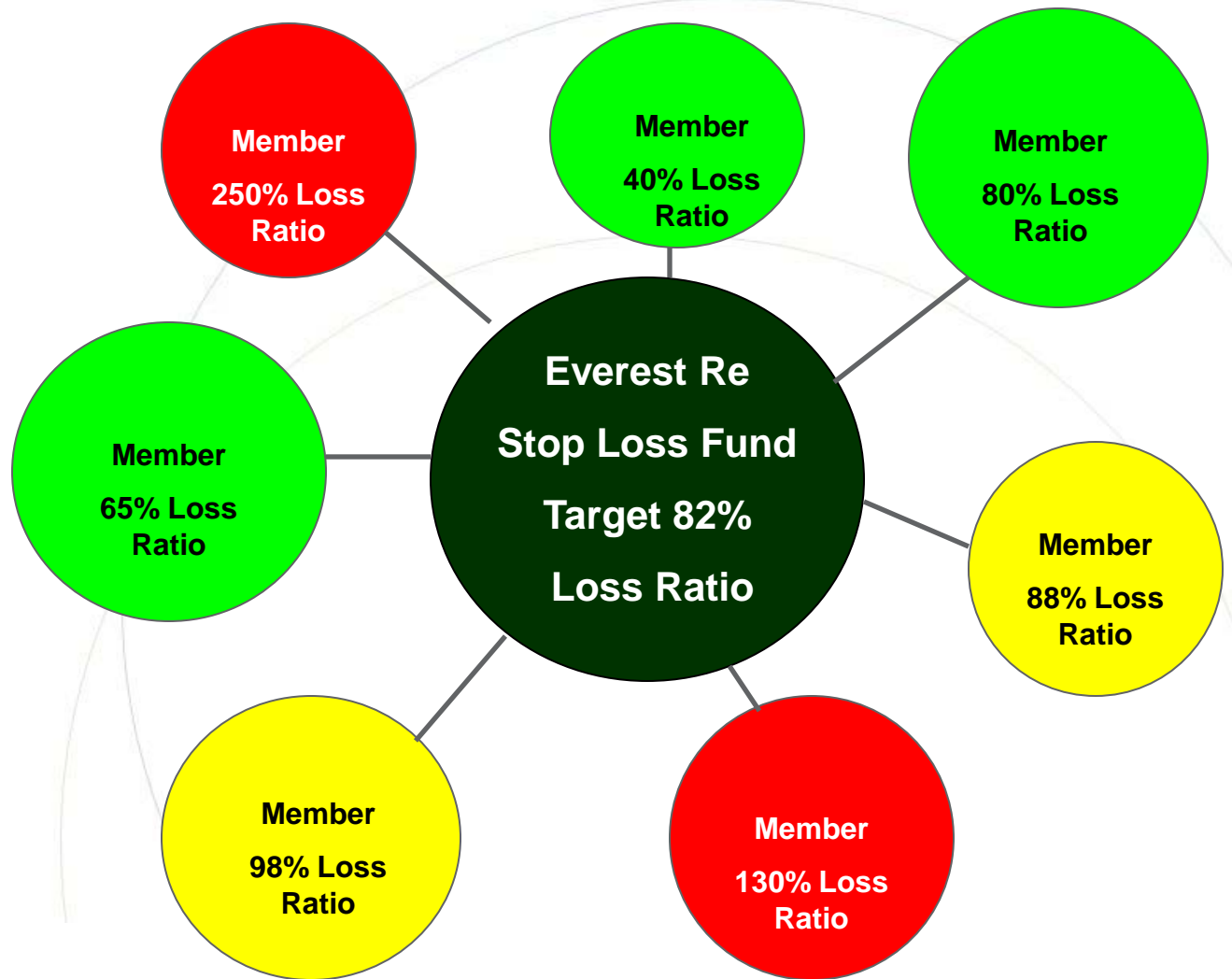
- A cap on claim liability
- A fixed monthly budget amount based on enrollment
- Stable cash flow
- Significant protection when experiencing a “bad” claim year

## HOW CLAIM LIABILITY IS CAPPED





# “Stabilizing” Volatile Claim Risk



# Support

*As a member, you will gain ....*

- **Training, Guidance and Assistance with Federal Health Care Reform**
- Actuarial performance, plan design and benchmarking analysis
- Full cooperative financial accounting and reporting
- Complete cooperative management support
- Benefit compliance, plan document development and periodic updates
- Access to compliance professionals who support your HR needs
- A dedicated professional account manager who provides complete account management support
- Plan benefit modeling and consultation along with financial impact analysis
- Open enrollment design and support
- Education and communication support including web based benefit portals and an annual training seminar

# Resources

*The cooperative will provide You ....*

CONNECTCARE3  
we make house calls

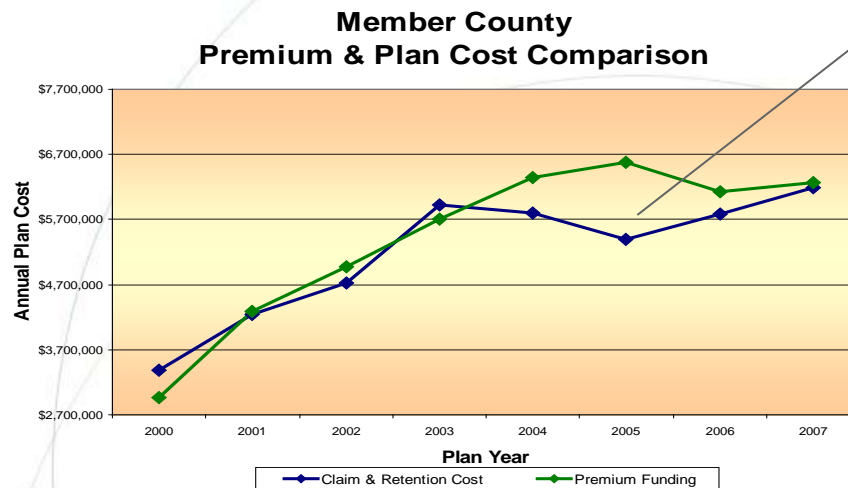


- nurse navigation services and support
- medical treatment options and provider research and analysis
- patient advocacy
- hands on patient interaction
- wellness program development and support
- lunch and learn topics and communications
- individual and group nutritional and exercise programs

# Make the Commitment...

## Change how you purchase your benefits

- Commit to changing the healthcare purchasing dynamic in your favor



Don't let this happen to you !

Prior to joining a cooperative this member left \$1,000,000 with the carrier !!

- Commit to a long term strategy for funding healthcare costs using the lowest cost option (self-funding) in a group environment



## ASO (Administrative Services Only) Provider Partner

- Ranked #1 health plan in Maryland, D.C., Virginia, Delaware, New Jersey, North Carolina and Texas by NCQA/US News & World Report. This is the 3<sup>rd</sup> year in a row for Maryland and D.C.
- Broad national networks: Open Access Plus & Open Access Plus In-Network
- Integrated Health Business: Medical, Pharmacy, Behavioral, Disability, Dental, and Vision
- 24/7/365 Customer Service: all customer service centers are certified for outstanding customer service. Representatives can see all health business on the same screen.
- CIGNA has been certified by JD Powers & Associates for the fourth consecutive year for “An Outstanding Customer Experience”.
- CIGNA was recognized by Gartner for Exemplary Customer Strategy and Customer Experience Excellence.
- myCIGNA.com
- CIGNA Wellaware
- 80% of CIGNA business is ASO.

# In Summary

*As a member, you will ....*

- Gain better control of the overall financing of your benefit plan
- Gain the inherent safety of being part of a large purchasing group
- Significantly stabilize your monthly cash flow
- Receive any excess premium surplus
- Have the peace of mind in knowing the cooperative model has a proven track record for the past 20+ years

## Questions/Contact Info

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