



Western Michigan Health Insurance Pool

2016 Executive Summary



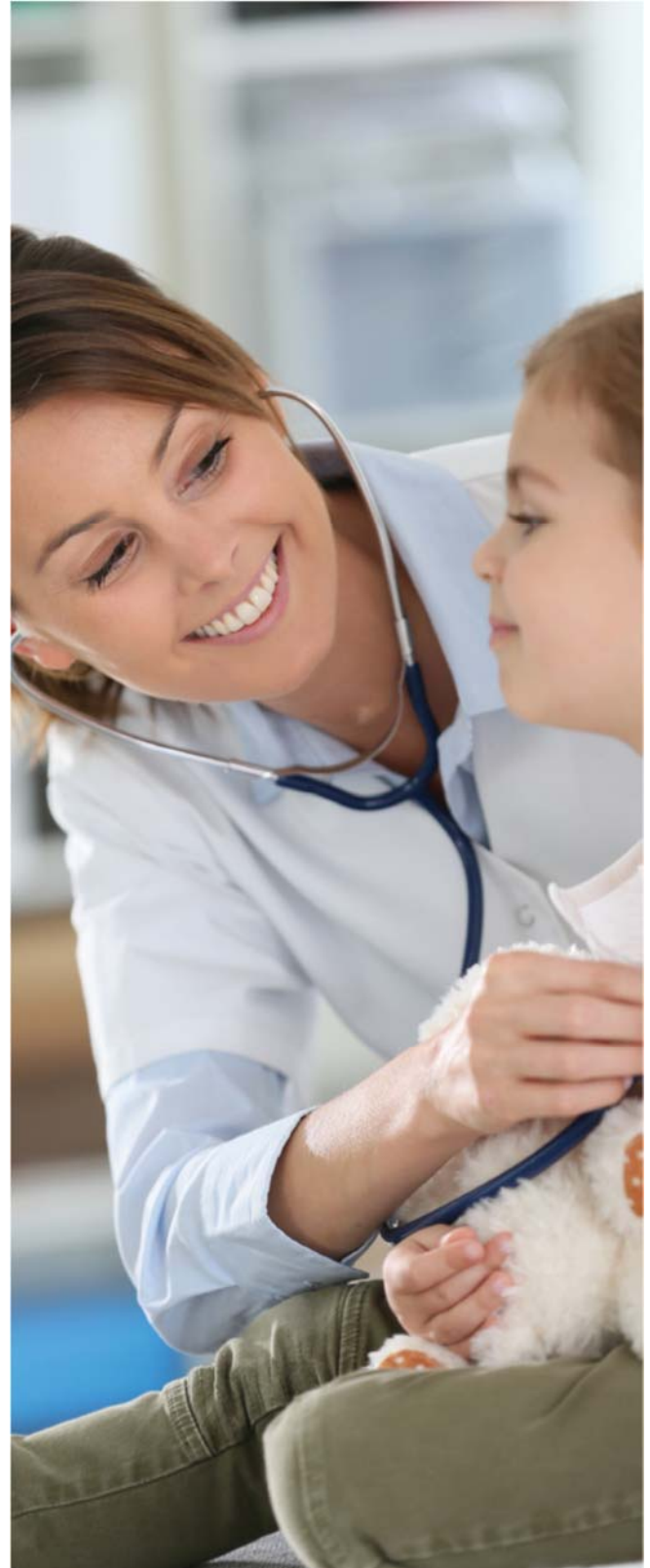
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The Western Michigan Health Insurance Pool

The Western Michigan Health Insurance Pool (WMHIP or the Pool) is a PA 106 Public Employer Pooled Plan, designed for public entities throughout the state of Michigan. Membership currently includes K-12 school districts, intermediate school districts, cities, counties, townships, community mental health organizations, and community colleges across the state. Medical, prescription drug, and dental coverage are available as a self-funded coverage through WMHIP, which establishes monthly single, 2 person, and family rates back to its members. The WMHIP also cooperatively purchases basic life, long term disability, and vision insurance coverage.

The WMHIP partners with both Blue Cross Blue Shield of Michigan and Priority Health as its medical claims administrators. Individual member entities are able to choose the carrier that best meets the needs of their organization.

Membership in the WMHIP reached 63 organizations and 5,800 employee lives in 2016. This equates to over 60 million in equivalent insurance premium.



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WMHIP Governance

Upon joining the WMHIP, each member organization assigns a trustee designated by their Board or Commission to sit on the WMHIP Board of Directors. The full board meets six times a year to discuss and vote upon matters pertaining to the Pool. Operations of the Pool are governed by a board-adopted trust agreement and by-laws.

Per its by-laws, the Board of Directors elects Executive Committee positions every other year. These officers serve the Pool by providing strategic direction and bringing recommendations back to the full board. The Chairperson and Vice-Chairperson serve two-year terms, while the Secretary and Treasurer serve staggered four year terms. These officers, along with the Immediate Past Chair and any standing committee chairs, form the full Executive Committee.

Current standing committees in the Pool include the Innovation Committee and the Value Committee. The Innovation Committee focuses its resources on exploring progressive strategies in the healthcare field, while the Value Committee develops recommendations for cost containment. Members from the Board of Directors are selected by the committee chairs to serve in these groups.

The Membership cycles for the WMHIP run on a January 1 anniversary. As required by PA 106, all new members commit to WMHIP membership for a three year cycle upon joining.

Underwriting

Member's initial funding rates are based on their selected plan design, as well as geographic area, census data, and prior experience, if available. At each renewal, risk is spread among the membership by determining the average percentage funding adjustment necessary to meet the Pool's cash liabilities plus reserves. Once the pool-wide renewal has been determined, the Board employs a modest adjustment for qualifying members to further spread member risk appropriately based on the individual members' paid loss ratios.

Financial Arrangements

Specific stop loss insurance is purchased to protect the Pool from catastrophic claims in excess of \$300,000 per person, per plan year. Member organizations are not responsible for individual claims, but by working as a large group, the Pool can spread that level of risk across all 4,200 members. In addition, aggregate insurance is purchased to protect the pool from claims in excess of 125% of predicted claims per plan year. The Pool chooses to be transparent by providing monthly claims reports identifying each employers' performance. These reports are shared with the Board of Directors at every meeting.

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Benefit Designs

The WMHIP offers dozens of PPO plan designs for members to choose from utilizing either Blue Cross Blue Shield of Michigan or Priority Health. The plans available have varying deductible, copays, and out-of-pocket structures. Many employers in the Pool offer plan choice by providing employees several different options.

Administration

Each member's rates reflect all aspects of the Pool's operating costs including claims, utilization review, network access, claims administration, excess health insurance, and all state and federal taxes/fees. The Pool partners with Next Generation Enrollment (NGE) to administer all enrollment processes. NGE submits a monthly bill to each member and, after invoices are distributed, an ACH debit is taken out to fund claims and pay vendors.

The pool employs Vredeveld Haefner LLC as its accountant for record keeping and Plante Moran for annual auditing purposes. Further, it retains the services of Thrun Law Firm as its legal counsel. Consulting, underwriting, and actuarial assistance is provided by Gallagher Benefit Services. As part of its relationship with the WMHIP, Gallagher also provides the following services:

- Plan Design/Cost Containment Strategies
- Benefits Communication Assistance
- Employee Meetings
- Health Trends and Education
- Wellness Consultation
- Individual Member Advice



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2016 Membership

As of July 2016, the Pool was comprised of 63 member organizations. Pool members have varying number of employee groups offering WMHIP plans, ranging from administrators-only to full staff. Employee groups covered by the Pool include teachers, police & fire, custodial/maintenance, administrators, and many more.

The WMHIP is composed of 39 K-12 school districts, 12 intermediate school districts and RESAs, 2 community college, 6 cities / villages / townships, 1 county, 1 county organization, and 2 community mental health organizations.



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The below groups are members of the Western Michigan Health Insurance Pool:

Allegan Area RESA	Hopkins Public Schools
Allendale Public Schools	Hudsonville Public Schools
Battle Creek Public Schools	Ingham County ISD
Big Rapids Public Schools	Ionia County ISD
Burr Oak Community Schools	Kalamazoo RESA
Byron Center Public Schools	Kent Intermediate School District
Calhoun ISD	Lansing Community College
Caledonia Public Schools	Lowell Area Schools
Charter Township of Texas	Montague Area Public Schools
Chippewa Hills School District	Montcalm Area ISD
City of Zeeland	Muskegon Reeths Puffer Schools
City of Hudsonville	Muskegon Area ISD
City of Ferrysburg	Newaygo RESA
City of Cedar Springs	NorthCare Network
Clinton County RESA	Northeast Michigan Council of Governments
Colon Community Schools	Northview Public Schools
Comstock Park Area Schools	North Muskegon Public Schools
Comstock Public Schools	Ottawa Area ISD
Delton Kellogg Public Schools	Portland Public Schools
East Grand Rapids Public Schools	Ravenna Public Schools
Fennville Area Schools	Region 10 Community Mental Health
Emmet County	Rockford Public Schools
Forest Hills Public Schools	Schoolcraft Community Schools
Godfrey Lee Public Schools	South Haven Area Schools
Godwin Heights Public Schools	St. Joseph ISD
Galesburg-Augusta Community Schools	Stevensville Lakeshore Public Schools
Grand Haven Area Public Schools	Thornapple Kellogg Public Schools
Grand Rapids Community College	Vicksburg Community Schools
Grand Rapids Public Schools	Village of Spring Lake
Grant Public Schools	White Pigeon Community Schools
Greenville Public Schools	West Ottawa Public Schools
	Wyoming Public Schools

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Contact

For more information on the Western Michigan Health Insurance Pool, please contact their consultant Gallagher Benefit Services :

Name	Title	Phone	Email
Doug Derks	Area Vice President	616-233-6862	Doug_Derks@ajg.com
Leslie Nowaczyk	Senior Benefit Consultant	269-720-0322	Leslie_Nowaczyk@ajg.com
Ashley James	Account Manager	616-459-8503	Ashley_James@ajg.com





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Gallagher Benefit Services, Inc.
t h i n k i n g a h e a d

300 Ottawa Ave NW
Suite 301
Grand Rapids, MI 49504