

Southwestern Ohio Educational Purchasing Council – EPC

www.epc-online.org

937 890-3725

Organized in 1968 as a purchasing cooperative

17 commodity areas including:

Food Service	Furniture
School Busses	Classroom Supplies
Paper	Audio Visual
Lights	Property & Liability Insurance
Paint	Workers Comp Group Rating
Janitorial Supplies	Employee Benefits

Membership

Active Members: Public schools and Educational Service Centers in Ohio

Associate Members: MRDDs and chartered non-profit, non-public schools

Affiliated members: Other political subdivisions including cities, villages & counties and similar entities outside of Ohio, upon review and approval of the Executive Board.

Members pay annual membership fees of \$300 plus \$.40 per student (ADM). There is no additional charge to be a part of the Benefit Plan. Also, no commissions are paid to or by the EPC for the Benefit plans.

Benefit Plans

EPC Insurance Pool started in 1983 with Community Mutual Blue Cross & Blue Shield

Current plans:

Anthem PPO – 34 districts, 4780 employees covered
UHC PPO – 22 districts, 4680 employees covered
Dental – Delta Dental – 44 districts, 7950 employees covered
Vision – VSP – 29 districts, 4150 employees covered
Life & AD&D – Sun Life effective 11/1/08 managed by McGohan Brabender

All health plans are self funded pools with fully funded reserves.

Total Plan premium at 10/1/07 rates was \$99,150,000.

All EPC members are eligible to join the Benefit Plan. If a district leaves the Plan, they are out for at least 3 years. Only 1 district has left the medical plans in the last 5 years, 9 have joined.

COBRA administration is provided at no additional cost to the district.
The Benelogic online enrollment system is also provided at no additional cost.

Plan Design

The variety of districts, financially and geographically, and the union environment requires flexibility in plan design and district specific rating.

Medical: All plans are PPOs

The specific services covered are the same for all

Plans vary in copays and coinsurance levels

Some basic plan levels have been established i.e. office copay minimum \$10

Dental: All plans are 4 tiered (Preventive, Basic & Major Restorative and Ortho) with varying %s paid and varying maximums.

Vision: Most plans and all new district plans are the same with the same rates.

Financial Methodology

2 year cycle:

Odd year – all districts receive the same percent renewal rate change.

Dividends may be paid to better performing districts to help balance costs if the surplus is sufficient.

Even year – District specific rate changes:

- Discount large claims – internal pooling at varying levels based on district size
- Calculate 2 year average loss ratio
- Place result on scale that runs + or – 5 points from average

Methodology is subject to review and change if necessary as determined by the Benefit Plan Trustees.

Reserves are fully funded and premium holidays for dental and vision are considered when surplus is deemed to be sufficient.

Districts coming into the EPC Benefit Plan are quoted rates based on their claims and plan design taking into account the EPC claim history for similar plans.

Renewal History

5 Year Average Renewal Increases:

Anthem: 8.6%

UHC: 9.3%

Dental: 3.9%

Vision: 3%

EPC Benefit Plan Administrative Functions:

Plan Administrator

- HIPAA,
- Final Claim Fiduciary – the EPC is the Plan, not individual districts
- Monitors all vendors' performance and proposes action where necessary

Fiscal administrator

- Collects premium paid to the EPC Benefit Plan Accounts
- Issues payments to all vendors: TPAs, COBRA administrator, consultants etc.
- Invests reserves
- Monitors Plan financial status
- Hires auditor & actuary.

Underwriter – Works to maintain the proper balance of cost among Plan members

- Calculates renewals & sets rates by district
- Negotiates with TPAs
- Monitors the market for other opportunities

Plan Consultant

- Tracks developments in employee benefits to keep the Plan current with federal and state legislation and new approaches to managing benefit plans.
- Consults with individual districts during negotiations
- Develops plan design options to help reduce plan cost
- Develops and provides seminars on topics pertaining to employee benefits
- Develops new programs as warranted i.e. online enrollment, wellness programs

Eligibility coordinator and administrator

- Coordinates use of online enrollment system

COBRA coordinator

- Works with COBRA administrator to make sure districts are in compliance