

Columbus Jewish Community Church Group Single Employer Large Group Risk Pool

As a result of changing insurance laws (HIPAA), the then Columbus Jewish Federation and Affiliated Agencies Association Health Plan was forced to disband by their carrier in August of 2000. The result was that many of the entities who participated received substantial rate increases causing a budgetary crisis within the Jewish Non-Profit world in Columbus. Shortly after, the Institutional Excellence Council of the Columbus Jewish Federation was mandated by the community to investigate ways in which to provide all community organizations access to affordable health insurance.

The discovery of The Church Plan Parity and Entanglement Prevention Act of 1999, which became law in June of 2000, provided a legal basis for the community to move forward. Data was gathered and through the guidelines of Church Group criteria under ERISA, a Church Group was formed by all Columbus Jewish non-profit agencies, synagogues and day schools. Further data was compiled in order to seek quotes from the insurance market for this newly formed single employer large group risk pool. Conditions for quoting included the commitment of 100% institutional participation and a three year initial contract period. Robins Financial Group was selected as the lead broker, however cooperative brokers could and do participate.

United Healthcare offered the most competitive rate and plan design flexibility. They offered three plan designs, allowed for varying employer contribution levels by institution, varying new hire waiting periods and hourly eligibility requirements. After meeting with all 18 entities and comparing cost of coverage and plan designs, and with much political effort, we ultimately achieved 100% participation and entered the contract on July 1, 2001. The result in the first year was \$160,000 in net community wide premium savings. Two entities were provided a Federation subsidy to offset the then increased cost of coverage in order to achieve their participation in this plan. Several smaller organizations actually were able to offer health insurance for the first time. In addition, a standard was set that all Jewish Community professional staff ought to have health insurance coverage as a basic employee benefit. Cobra Continuation became available for the smaller entities and a Retiree Class was formed in order to take care of those long term staff professionals who decide to retire prior to Medicare Eligibility and want to retain access to affordable coverage.

Over the four year period starting July 1, 2001 and ending June 30, 2005, total realized community wide premium savings have been documented at \$1.4 million and the average annual rate increase has been 8.5%, without any plan design modifications. Average annual market wide rate increases during this same four year time period have been 15% to 20%.

This concept works because of the pooling of risk into the largest possible of pools (475 covered employees community wide), reduced administrative costs, economies of scale and increased negotiating leverage within the health insurance market. These are the same cost reduction features that are being sited in the pending Association Health Plan legislation in congress.

Several challenges continue to exist. Political currents within the communal world result in difficulties agreeing on issues of most importance regarding longevity of this group and plan design. Those entities who have budgetary challenges would like to see plan design modifications to save further on cost of coverage while those entities who value rich benefits wish to keep the plan designs as current. This conflict has not yet been resolved, however a sub-committee has been formed to investigate market trends, peer group analysis, HSAs and consumer driven health plans. It is hoped that through ongoing dialogue and research, issues can be resolved.

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