

Understanding Your Renewal Report

Sample of PAK Renewal

MESSA www.messa.org 1475 Kendale Boulevard, PO Box 2560 East Lansing, MI 48862-2560 800.292.4910		2010 Rate Renewal Exclusively for ABC Schools Renewal Effective 07/01/2010		Quote #: 555555 MESSA Field Rep: Jane Teacherfriend Date Created: 00/00/2010
PAK A - 000A Administration		2009-10 Rates	Enrollment	2010-11 Rates
Medical:	MESSA Choices II		Single: 1	\$682.88
OV/UC/ER Copay:	\$5/\$10/\$25		2-Person: 1	\$1,534.60
RX Drug Copay:	\$10/\$20		Family: 6	\$1,704.95
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	None			
Composite:		\$1,465.86		
Dental:			Single: 1	
Class I:	80%		2-Person: 1	
Class II:	80%		Family: 6	
Class III:	80%			
Annual Max:	\$1,000			
Class IV:	0%			
Lifetime Max:	\$0			
Riders:	2 Cleanings			
Composite:		\$82.00		\$90.20
Vision:	VSP 3 Plus		Single: 1	
			2-Person: 1	
			Family: 6	
Composite:		\$30.48		\$30.77
Life Insurance:	1.5X Salary		8	
Rate/\$1000				\$0.21
Volume				\$965,000.00
Composite:		\$23.78		\$25.33
AD&D Coverage:	1.5X Salary		8	
Rate/\$1000				\$0.03
Volume				\$965,000.00
Composite:		\$3.57		\$3.62
Total Monthly Rate per Member		\$1,605.69		
Total Monthly Rate per Member - Single				\$832.80
Total Monthly Rate per Member - 2-Person				\$1,684.52
Total Monthly Rate per Member - Family				\$1,854.87
PAK A COBRA RATES:				
	Medical		Single	\$681.38
			2-Person	\$1,533.10
			Family	\$1,703.45
	Dental		Single	\$90.20
			2-Person	\$90.20
			Family	\$90.20
	Vision		Single	\$30.77
			2-Person	\$30.77
			Family	\$30.77

The above rates are based on plans and enrollment as of 03/03/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.

Key:

1 → Date the rates become effective

2 → Benefit plan detail for group

3 → Enrollment on the date renewal processed

4 → PAK rates billed monthly per member by coverage level

5 → COBRA rates by coverage level

6 → Rate guarantee and date renewal processed

Sample of **Non-PAK** Renewal

 **MESSA**
www.messa.org
1475 Kendale Boulevard, PO Box 2560
East Lansing, MI 48862-2560
800.292.4910

2010 Rate Renewal Exclusively for

ABC Schools

Renewal Effective 07/01/2010 ← **1**

Quote #: 555555
MESSA Field Rep: Jane Teacherfriend
Date Created: 00/00/2010

NON-PAK - 000A Administration

2009-10 Rates

Enrollment

2010-11 Rates

Medical:	MESSA Choices II	\$ 600.00	Single: 1	\$682.88
OV/UC/ER Copay:	\$5/\$10/\$25	\$1,500.00	2-Person: 1	\$1,534.60
RX Drug Copay:	\$10/\$20	\$1,600.00	Family: 6	\$1,704.95
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	None			
<hr/>				
Vision:	VSP 3 Plus	\$25.53	Single: 1	\$30.77
		\$25.53	2-Person: 1	\$30.77
		\$25.53	Family: 6	\$30.77
<hr/>				
Life Insurance:	1.5X Salary	\$0.20	8	\$0.21
Rate/\$1000				\$965,000.00
Volume				
AD&D Coverage:	1.5X Salary	\$0.03	8	\$0.03
Rate/\$1000				\$965,000.00
Volume				

4 → **NON-PAK COBRA RATES:**

Medical	Single	\$681.38
	2-Person	\$1,533.10
	Family	\$1,703.45
Vision	Single	\$30.77
	2-Person	\$30.77
	Family	\$30.77

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Important Note → The above rates are based on plans and enrollment as of 03/03/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.

Key:

- 1** → Date the rates become effective
- 2** → Benefit plan detail for group
- 3** → Enrollment on the date renewal processed
- 4** → NON-PAK COBRA rates by coverage level
- 5** → Rate guarantee and date renewal processed



MESSA
www.messa.org

1475 Kendale Blvd., P.O. Box 2560 • East Lansing, Michigan 48826-2560

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March 31, 2010

To: MESSA Accounts / Business Offices

From: Dick Ringstrom, MESSA Director of Marketing & Rating

Re: Improvement in Format and Presentation for MESSA PAK Renewals and Invoices

I am writing to inform you that we are implementing an improvement to the format and presentation of our PAK renewal forms and monthly invoices (invoices will reflect the improvement beginning with the July 2010 invoice).

As you know, prior to the passage of PA 106 in 2007 MESSA pooled all groups into large regional pools to spread risk and provide greater rate stability. In keeping with our pooling model, we also provided a composite, per-employee PAK rate and 2% discount for groups that chose all MESSA coverages -- medical, dental, vision, life and LTD – and bundled them together. The composite PAK rate blended the group census rather than breaking the elements down into Single, 2 Person and Full Family coverages. Given the new market created by PA 106, composite rating no longer makes sense for MESSA PAK groups (MESSA will continue to provide the 2% PAK discount).

Beginning with the 2010-2011 renewal packets issued this spring, MESSA will provide you with our PAK rate both as the traditional composite PAK rate (the rate you have always received from MESSA) and also broken down as Single, 2 Person and Full Family amounts. You will receive a rate breakdown for both medical-only coverage and combined coverages (medical, Delta Dental, life, Long Term Disability and VSP vision plans).

Beginning with your July 2010 PAK invoice, MESSA will bill each PAK account using the new breakdowns of Single, 2 Person and Full Family.

Many of our business accounts have requested that MESSA make this change. We believe the improvement will help MESSA simplify the renewal process, allow us to issue quotes faster, better align MESSA renewals with current industry standards, and make our renewals easier to use and understand.

Important Note: MESSA is aware that some accounts may have contractual provisions or other factors that will require a traditional composite rate rather than a three-tier rate. In your renewal packet you will find a rate summary sheet that includes the composite rate. Beginning July 1, 2010 your monthly invoices will present tiered rates by Single, 2P and FF coverage.

In keeping with our past practice, MESSA's PAK medical rates (Single, 2P and FF) will be guaranteed for the period July 1, 2010 through June 30, 2011. Enrollment changes including staff additions and drops, and status changes (from Single to 2P, or from FF to 1P) will be processed as of the effective date, just as we have always processed them. Billing for enrollment changes will now reflect the actual change in status rather than the composite rate used previously.

Important Issues to Remember

- There is no impact on PAK rules or policies.
- The 2% discount on medical and dental plans remains unchanged.
- A PAK will still require 2 or more participants.
- The rules will still require 100% participation of eligible employees in order to create a PAK.
- There is no impact on how your renewal rates are calculated; we are only changing the presentation. MESSA's PAK rates have always been calculated based on the group's census of Single, 2 Person and Full Family coverage. We are now also providing you with the PAK rate breakout by coverage tier.
- Beginning with your July, 2010 invoice, the monthly invoice you receive from MESSA for PAK groups will feature the tiered Single, 2P and FF rates. No composite rate will be listed as it is no longer relevant to how you are billed.
- Following the 2012-2013 plan year, all MESSA renewals will feature the tiered Single, 2P and FF rates and we will no longer provide a composite amount.

Thank you. We are pleased to implement this improvement that many of you have requested. If you have questions about this improvement in our PAK renewals and invoices, please contact your Field Representative.



2010 PAK Medical Rate Summary

Wyoming Public Schools

Effective 07/01/2010

Thank you for being a valued MESSA customer. Effective with the July 2010 invoice, we will begin billing PAK plans using tiered rates (single, 2-person, family). To help you with the transition to the new tiered rates in a PAK, we are providing this supplement to help you compare your current **PAK medical rates** to the new renewal rates. Below is a summary of the PAK medical rates by coverage and as a composite rate for your reference. The Composite Rate is calculated based on enrollment census. Your 2010 Rate Renewal Report provides the total monthly PAK benefit rate per coverage for all benefit plans in the PAK.

PAK A - 275N 48 Week Cust, Secr, Teachers		MESSA Super Care 1		
<u>Coverage Level</u>	Current 2009-10		Renewal 2010-11	
	<u>Enrollment</u>	<u>Rates</u>	<u>Enrollment</u>	<u>Rates</u>
Single	6	\$592.99	6	\$746.45
2-Person	7	\$1,311.89	8	\$1,677.66
Family	15	\$1,455.67	12	\$1,863.89
Composite Rate		\$1,234.86		\$1,548.72

PAK C - 275N 48 Week Cust, Secr, Teachers		MESSA Choices II		
<u>Coverage Level</u>	Current 2009-10		Renewal 2010-11	
	<u>Enrollment</u>	<u>Rates</u>	<u>Enrollment</u>	<u>Rates</u>
Single	38	\$522.31	29	\$639.22
2-Person	64	\$1,173.32	58	\$1,436.38
Family	200	\$1,303.53	183	\$1,595.80
Composite Rate		\$1,177.64		\$1,458.81



**2010 Rate Renewal Exclusively for
Wyoming Public Schools**

Quote #: 308159
MESSA Field Rep: Larry Donston
Date Created: 04/17/2010

1475 Kendale Boulevard, PO Box 2560
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800.292.4910

Renewal Effective 07/01/2010

Bundle 1 - 275D Trans,FoodServ,SchoolYrOffice		2009-10 Rates	Enrollment	2010-11 Rates
Medical:	MESSA Super Care 1	\$596.25	Single: 0	\$761.66
OV/UC/ER Copay:	N/A	\$1,339.69	2-Person: 0	\$1,711.87
RX Drug Copay:	\$10/\$20	\$1,488.39	Family: 0	\$1,901.91
Deductible:	\$ 50/\$100			
Riders Included:	XVA2, PCR			
<hr/>				
Life Insurance:	\$25,000	\$0.13	0	
Rate/\$1000				\$0.13
Volume				\$0.00
<hr/>				
AD&D Coverage:	\$25,000	\$0.03	0	
Rate/\$1000				\$0.03
Volume				\$0.00
<hr/>				
LTD Benefit	66 2/3% Max \$2,500	\$1.12 *	0	
Max Monthly Salary:	\$3,750			
Waiting Period:	120 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$1.89
Covered Salary				\$0.00

* LTD Rate Note: As communicated in the summer of 2009, MESSA honored the undercharged LTD rate for the 2009-10 renewal. For your reference, the correct LTD rate would have been \$1.87.

Bundle 1 COBRA RATES:			
Medical		Single	\$760.16
		2-Person	\$1,710.37
		Family	\$1,900.41

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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Bundle 2 - 275D Trans,FoodServ,SchoolYrOffice		2009-10 Rates	Enrollment	2010-11 Rates
Vision:	VSP 2	\$15.62 \$15.62 \$15.62	Single: 0 2-Person: 4 Family: 4	\$15.83 \$15.83 \$15.83
Life Insurance: Rate/\$1000 Volume	\$25,000	\$0.13	7	\$0.13 \$175,000.00
AD&D Coverage: Rate/\$1000 Volume	\$25,000	\$0.03	7	\$0.03 \$175,000.00
Bundle 2 COBRA RATES:				
	Vision		Single 2-Person Family	\$15.83 \$15.83 \$15.83

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Renewal Effective 07/01/2010

Bundle 3 - 275D Trans,FoodServ,SchoolYrOffice		2009-10 Rates	Enrollment	2010-11 Rates
Medical:	MESSA Choices II	\$532.94	Single: 3	\$652.24
OV/UC/ER Copay:	\$5/\$10/\$25	\$1,197.24	2-Person: 15	\$1,465.66
RX Drug Copay:	\$10/\$20	\$1,330.11	Family: 15	\$1,628.34
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	XVA2			
<hr/>				
Life Insurance:	\$25,000	\$0.13	33	
Rate/\$1000				\$0.13
Volume				\$825,000.00
<hr/>				
AD&D Coverage:	\$25,000	\$0.03	33	
Rate/\$1000				\$0.03
Volume				\$825,000.00
<hr/>				
LTD Benefit	66 2/3% Max \$2,500	\$1.12 *	32	
Max Monthly Salary:	\$3,750			
Waiting Period:	120 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$1.89
Covered Salary				\$69,423.00

* LTD Rate Note: As communicated in the summer of 2009, MESSA honored the undercharged LTD rate for the 2009-10 renewal. For your reference, the correct LTD rate would have been \$1.87.

Bundle 3 COBRA RATES:			
Medical		Single	\$650.74
		2-Person	\$1,464.16
		Family	\$1,626.84

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.

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Renewal Effective 07/01/2010**

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NON-PAK - 275H Program Coordinators		2009-10 Rates	Enrollment	2010-11 Rates
Life Insurance:	\$25,000	\$0.13	0	
Rate/\$1000				\$0.13
Volume				\$0.00
AD&D Coverage:	\$25,000	\$0.03	0	
Rate/\$1000				\$0.03
Volume				\$0.00

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NON-PAK - 275I Para,Food Serv Less Than 20 Hr		2009-10 Rates	Enrollment	2010-11 Rates
Life Insurance:	\$15,000	\$0.13	35	
Rate/\$1000				\$0.13
Volume				\$525,000.00
AD&D Coverage:	\$15,000	\$0.03	35	
Rate/\$1000				\$0.03
Volume				\$525,000.00

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**2010 Rate Renewal Exclusively for
Wyoming Public Schools**

Quote #: 308159
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Date Created: 04/17/2010

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Renewal Effective 07/01/2010

Bundle 1 - 275J Parapros Working 20+ Hours		2009-10 Rates	Enrollment	2010-11 Rates
Medical:	MESSA Super Care 1	\$596.25	Single: 0	\$761.66
OV/UC/ER Copay:	N/A	\$1,339.69	2-Person: 0	\$1,711.87
RX Drug Copay:	\$10/\$20	\$1,488.39	Family: 1	\$1,901.91
Deductible:	\$ 50/\$100			
Riders Included:	XVA2, PCR			
<hr/>				
Life Insurance:	\$25,000	\$0.13	1	
Rate/\$1000				\$0.13
Volume				\$25,000.00
<hr/>				
AD&D Coverage:	\$25,000	\$0.03	1	
Rate/\$1000				\$0.03
Volume				\$25,000.00
<hr/>				
LTD Benefit	66 2/3% Max \$2,500	\$0.62 *	1	
Max Monthly Salary:	\$3,750			
Waiting Period:	120 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$1.39
Covered Salary				\$1,616.00

* LTD Rate Note: As communicated in the summer of 2009, MESSA honored the undercharged LTD rate for the 2009-10 renewal. For your reference, the correct LTD rate would have been \$1.43.

Bundle 1 COBRA RATES:			
Medical		Single	\$760.16
		2-Person	\$1,710.37
		Family	\$1,900.41

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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Bundle 2 - 275J Parapros Working 20+ Hours		2009-10 Rates	Enrollment	2010-11 Rates
Vision:	VSP 2	\$15.62	Single: 2	\$14.88
		\$15.62	2-Person: 7	\$14.88
		\$15.62	Family: 13	\$14.88
Life Insurance: Rate/\$1000 Volume	\$25,000	\$0.13	22	\$0.13 \$550,000.00
AD&D Coverage: Rate/\$1000 Volume	\$25,000	\$0.03	22	\$0.03 \$550,000.00
Bundle 2 COBRA RATES:				
	Vision		Single	\$14.88
			2-Person	\$14.88
			Family	\$14.88

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Renewal Effective 07/01/2010

Bundle 3 - 275J Parapro Working 20+ Hours		2009-10 Rates	Enrollment	2010-11 Rates
Medical:	MESSA Choices II	\$532.94	Single: 8	\$652.24
OV/UC/ER Copay:	\$5/\$10/\$25	\$1,197.24	2-Person: 13	\$1,465.66
RX Drug Copay:	\$10/\$20	\$1,330.11	Family: 14	\$1,628.34
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	XVA2			
<hr/>				
Life Insurance:	\$25,000	\$0.13	35	
Rate/\$1000				\$0.13
Volume				\$875,000.00
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AD&D Coverage:	\$25,000	\$0.03	35	
Rate/\$1000				\$0.03
Volume				\$875,000.00
<hr/>				
LTD Benefit	66 2/3% Max \$2,500	\$0.62 *	35	
Max Monthly Salary:	\$3,750			
Waiting Period:	120 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$1.39
Covered Salary				\$58,512.00

* LTD Rate Note: As communicated in the summer of 2009, MESSA honored the undercharged LTD rate for the 2009-10 renewal. For your reference, the correct LTD rate would have been \$1.43.

Bundle 3 COBRA RATES:			
Medical		Single	\$650.74
		2-Person	\$1,464.16
		Family	\$1,626.84

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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PAK A - 275N 48 Week Cust, Secr, Teachers		2009-10 Rates	Enrollment	2010-11 Rates
Medical:	MESSA Super Care 1		Single: 6	\$746.45
OV/UC/ER Copay:	N/A		2-Person: 8	\$1,677.66
RX Drug Copay:	\$10/\$20		Family: 12	\$1,863.89
Deductible:	\$ 50/\$100			
Riders Included:	XVA2, PCR			
Composite:		\$1,234.86		
Dental:			Single: 6	
Class I:	100%		2-Person: 6	
Class II:	100%		Family: 11	
Class III:	90%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:		\$126.36		\$134.69
Dental:			Single: 0	
Class I:	50%		2-Person: 2	
Class II:	50%		Family: 1	
Class III:	50%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:				
Vision:	VSP 3		Single: 6	
			2-Person: 8	
			Family: 12	
Composite:		\$17.98		\$17.99
Life Insurance:	\$45,000		26	
Rate/\$1000				\$0.13
Volume				\$1,170,000.00
Composite:		\$5.85		\$5.85
AD&D Coverage:	\$45,000		26	
Rate/\$1000				\$0.03
Volume				\$1,170,000.00
Composite:		\$1.35		\$1.35
LTD Benefit	66 2/3% Max \$4,500		26	
Max Monthly Salary:	\$6,750			
Waiting Period:	90 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$0.41
Covered Salary				\$146,858.00
Composite:		\$24.01		\$23.16
Total Composite Rate per Member		\$1,410.41		
Total Monthly Rate per Member - Single				\$929.49
Total Monthly Rate per Member - 2-Person				\$1,860.70
Total Monthly Rate per Member - Family				\$2,046.93

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PAK A COBRA RATES:

Medical	Single	\$744.95
	2-Person	\$1,676.16
	Family	\$1,862.39
Dental	Single	\$134.69
	2-Person	\$134.69
	Family	\$134.69
Vision	Single	\$17.99
	2-Person	\$17.99
	Family	\$17.99

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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Renewal Effective 07/01/2010

PAK B - 275N 48 Week Cust, Secr, Teachers		2009-10 Rates	Enrollment	2010-11 Rates
Dental:			Single: 2	
Class I:	100%		2-Person: 0	
Class II:	100%		Family: 10	
Class III:	90%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:		\$95.50		\$112.30
Dental:			Single: 0	
Class I:	50%		2-Person: 1	
Class II:	50%		Family: 15	
Class III:	50%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:				
Vision:	VSP 3		Single: 2	
			2-Person: 1	
			Family: 25	
Composite:		\$20.55		\$20.21
Life Insurance:	\$50,000		28	
Rate/\$1000				\$0.13
Volume				\$1,400,000.00
Composite:		\$6.50		\$6.50
AD&D Coverage:	\$50,000		28	
Rate/\$1000				\$0.03
Volume				\$1,400,000.00
Composite:		\$1.50		\$1.50
Dependent Life:	\$2,000		28	
Rate/\$1000				\$0.29
Volume				\$56,000.00
Composite:		\$0.58		\$0.58
LTD Benefit	66 2/3% Max \$4,500		28	
Max Monthly Salary:	\$6,750			
Waiting Period:	90 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$0.41
Covered Salary				\$121,189.00
Composite:		\$16.83		\$17.75
Total Composite Rate per Member		\$141.46		\$158.84

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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**2010 Rate Renewal Exclusively for
 Wyoming Public Schools**

Renewal Effective 07/01/2010

Quote #: 308159
 MESSA Field Rep: Larry Donston
 Date Created: 04/17/2010

PAK B COBRA RATES:

Dental	Single	\$112.30
	2-Person	\$112.30
	Family	\$112.30
Vision	Single	\$20.21
	2-Person	\$20.21
	Family	\$20.21

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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Renewal Effective 07/01/2010

PAK C - 275N 48 Week Cust, Secr, Teachers		2009-10 Rates	Enrollment	2010-11 Rates
Medical:	MESSA Choices II		Single: 29	\$639.22
OV/UC/ER Copay:	\$5/\$10/\$25		2-Person: 58	\$1,436.38
RX Drug Copay:	\$10/\$20		Family: 183	\$1,595.80
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	XVA2			
Composite:		\$1,177.64		
Dental:			Single: 28	
Class I:	100%		2-Person: 51	
Class II:	100%		Family: 159	
Class III:	90%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:		\$126.36		\$134.69
Dental:			Single: 1	
Class I:	50%		2-Person: 7	
Class II:	50%		Family: 24	
Class III:	50%			
Annual Max:	\$2,500			
Class IV:	50%			
Lifetime Max:	\$2,500			
Riders:	2 Cleanings, Adult Ortho			
Composite:				
Vision:	VSP 3		Single: 29	
			2-Person: 58	
			Family: 183	
Composite:		\$19.20		\$19.71
Life Insurance:	\$45,000		270	
Rate/\$1000				\$0.13
Volume				\$12,150,000.00
Composite:		\$5.85		\$5.85
AD&D Coverage:	\$45,000		270	
Rate/\$1000				\$0.03
Volume				\$12,150,000.00
Composite:		\$1.35		\$1.35
LTD Benefit	66 2/3% Max \$4,500		270	
Max Monthly Salary:	\$6,750			
Waiting Period:	90 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$0.41
Covered Salary				\$1,446,608.00
Composite:		\$21.57		\$21.97
Total Composite Rate per Member		\$1,351.97		
Total Monthly Rate per Member - Single				\$822.79
Total Monthly Rate per Member - 2-Person				\$1,619.95
Total Monthly Rate per Member - Family				\$1,779.37

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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PAK C COBRA RATES:

Medical	Single	\$637.72
	2-Person	\$1,434.88
	Family	\$1,594.30
Dental	Single	\$134.69
	2-Person	\$134.69
	Family	\$134.69
Vision	Single	\$19.71
	2-Person	\$19.71
	Family	\$19.71

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NON-PAK - 275X Transportation 10-19.99 Hours		2009-10 Rates	Enrollment	2010-11 Rates
Life Insurance:	\$15,000	\$0.13	2	
Rate/\$1000				\$0.13
Volume				\$30,000.00
AD&D Coverage:	\$15,000	\$0.03	2	
Rate/\$1000				\$0.03
Volume				\$30,000.00

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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Renewal Effective 07/01/2010

Bundle 1 - 275Y PT Custodians 20+ hrs p/week		2009-10 Rates	Enrollment	2010-11 Rates
Medical:	MESSA Super Care 1	\$596.25	Single: 0	\$761.66
OV/UC/ER Copay:	N/A	\$1,339.69	2-Person: 0	\$1,711.87
RX Drug Copay:	\$10/\$20	\$1,488.39	Family: 0	\$1,901.91
Deductible:	\$ 50/\$100			
Riders Included:	XVA2, PCR			
<hr/>				
Life Insurance:	\$25,000	\$0.12	0	
Rate/\$1000				\$0.13
Volume				\$0.00
<hr/>				
AD&D Coverage:	\$25,000	\$0.03	0	
Rate/\$1000				\$0.03
Volume				\$0.00
<hr/>				
LTD Benefit	66 2/3% Max \$2,500	\$1.78	0	
Max Monthly Salary:	\$3,750			
Waiting Period:	120 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$1.34
Covered Salary				\$0.00

Bundle 1 COBRA RATES:			
	Medical	Single	\$760.16
		2-Person	\$1,710.37
		Family	\$1,900.41

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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Bundle 2 - 275Y PT Custodians 20+ hrs p/week	2009-10 Rates	Enrollment	2010-11 Rates
Vision:	VSP 2	Single: 0 2-Person: 0 Family: 1	\$15.83 \$15.83 \$15.83
Life Insurance: Rate/\$1000 Volume	\$25,000	\$0.12 1	\$0.13 \$25,000.00
AD&D Coverage: Rate/\$1000 Volume	\$25,000	\$0.03 1	\$0.03 \$25,000.00
Bundle 2 COBRA RATES:			
	Vision	Single 2-Person Family	\$15.83 \$15.83 \$15.83

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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Renewal Effective 07/01/2010

Bundle 3 - 275Y PT Custodians 20+ hrs p/week		2009-10 Rates	Enrollment	2010-11 Rates
Medical:	MESSA Choices II	\$532.94	Single: 2	\$652.24
OV/UC/ER Copay:	\$5/\$10/\$25	\$1,197.24	2-Person: 0	\$1,465.66
RX Drug Copay:	\$10/\$20	\$1,330.11	Family: 0	\$1,628.34
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	XVA2			
<hr/>				
Life Insurance:	\$25,000	\$0.12	2	
Rate/\$1000				\$0.13
Volume				\$50,000.00
<hr/>				
AD&D Coverage:	\$25,000	\$0.03	2	
Rate/\$1000				\$0.03
Volume				\$50,000.00
<hr/>				
LTD Benefit	66 2/3% Max \$2,500	\$1.78	2	
Max Monthly Salary:	\$3,750			
Waiting Period:	120 CDMF			
Alcohol/Drug:	2 Year Limitation			
Mental/Nervous:	2 Year Limitation			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$1.34
Covered Salary				\$5,831.00
<hr/>				
Bundle 3 COBRA RATES:				
	Medical		Single	\$650.74
			2-Person	\$1,464.16
			Family	\$1,626.84

The above rates are based on plans and enrollment as of 04/07/2010. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.

Understanding Your Rate Renewal Calculation

As a result of P.A. 106, the methodology used to determine the rates for your group has changed. Effective July 1, 2009, groups with 100 or more members for rating purposes are now, in part or in whole, experience rated.

Attached is the Rate Renewal Calculation exhibit. The Rate Renewal Calculation exhibit shows how your actual claims experience has been used to adjust the MESSA base rates to reflect the utilization of health care services by your employees. The Rate Renewal Calculation illustrates the methodology used to determine the change in the rates for your group using the MESSA experience rating formula. Please note that the actual change in your rates may differ from the percentage change shown on the Rate Renewal Calculation.

The components used to calculate your rate increase/decrease are described below:

1. Member Months: This is the number of members covered under your plan for each month of coverage during the experience period.

2. Average Covered Members per Month: This is the average number of members during the experience period (Member months divided by number of months in the experience period).

3. Experience Period: For the 2010-11 Renewal, an experience period of twelve months beginning October 1, 2008 has been utilized.

Incurred claims represent claims based on the date the medical service was provided. Incurred claims more accurately represent the claims cost per member because the claims expenses are matched to the members that received the medical services.

It is important to note that "Paid Claims", as required by P.A. 106, is a less reliable indicator of the true cost of the medical plan because the date a claim is paid can be up to two years after the date the medical service was provided.

For determining the Incurred But Not Reported (IBNR) claims expense, the amount of time past the experience period is used by actuaries to estimate the IBNR. For 2010-11, the claims paid through date of November 2009 is used because it is consistent with the method used by our underwriters and represents sufficient time for most claims to be paid.

4. Incurred But Not Reported (IBNR) Factor: Based on the past history of claim service dates and payment dates, the amount of claims that have been incurred by eligible participants is estimated based on generally accepted actuarial principles. Because claim payment lag times are more predictable, the IBNR factors used are those developed for all of MESSA accounts combined and filed with the Office of Financial and Insurance Regulation (OFIR).

5. Incurred But Not Reported (IBNR) Amount: This is the amount of estimated claims that have been incurred but not yet paid by MESSA (Claims incurred and paid through November 2009 times IBNR factor).

6. Estimated Fully Incurred Claims: The estimated fully incurred claims amount represents an estimate of the total claim expenses that will be paid for your members after all known and unknown claims expenses have been settled. The estimated fully incurred claims includes claims incurred during the experience period, paid within two months plus the IBNR claim expenses estimated by our underwriters and actuaries.

7. Annual Trend Factor: The expected annual change in health care costs. The annual trend factor includes the impact of general medical inflation, changes in healthcare utilization, impact of technological advances in healthcare, cost shifting, the leveraging effect upon deductibles and copays, and changes in provider contracting.

8. Number Months of Trend: The number months of trend from the experience period to the rating period.

9. Effective Trend: The amount of trend to be applied to the claims experience to reflect the expected claims cost during the rating period.

10. Trended Annual Claims Cost: This represents the projected claims cost for the rating period. The projected claims cost is the estimated fully incurred claims times the effective trend rate.

11. Claims in Excess of the Pool Point: To minimize the impact of unexpected high cost claims, MESSA's experience rating formula excludes claims in excess of a dollar threshold or pool point. The pool point, as determined by our actuaries, is based upon the size of the group and at a level of risk that is reasonable for the size of the group.

12. Pool Charge: Claims that exceed the pool point are shared by all MESSA groups. These pooled claims expenses are replaced by the pool charge which equitably distributes the cost of these unpredictable, high cost claims by sharing the risk through the pool charge.

13. Projected Claims Cost: This represents the estimated total cost of future benefit expenses for your group for the rating period beginning July 1, 2010.

14. Retention Expense: This represents the cost to operate the MESSA plans. The services provided for under the retention expense include administration (BCBSM, BCS, MESSA), risk or contingency charges (BCBSM, BCS), Other Than Group subsidy (BCBSM), and premium taxes (BCS).

15. Total Projected Plan Expense: This represents the expected total cost of the plan or projected claims cost plus retention expense.

16. Percent Actual Experience Used or Credibility Factor: Because claim costs are less predictable for smaller groups, a portion of a group's projected claims costs and a portion of MESSA's overall claims experience will be used to determine the experience adjusted total required plan expense. The credibility factor for a group increases as the size of a group gets larger. A group of 100 members is only considered to be 30% predictable while a group with 500 or more enrolled members is considered to be highly predictable and given 100% credibility.

17. Required Income before Application of Experience Rating: This represents the rates that would be charged if the projected plan expense for all MESSA groups of 100 or more enrolled members were combined for the 2010-11 plan year. In the absence of experience rating, this would be the projected cost of the group and is used to smooth the rates needed for groups that are not considered to be fully creditable.

18. Experience Adjusted Required Income: Combining the creditable portion of the group's actual experience with the MESSA overall average projected plan expenses, the experience adjusted plan expenses are used to determine the new rates for the 2010-11 renewal prior to any rate credit or recoupment.

19. Rate Credit or Recoupment: For the 2010-11 renewal year, a credit will be applied to each group to reflect their value of prior MESSA underwriting results. When MESSA experiences underwriting gains, future years' premiums are reduced or credited back to our members. When MESSA experiences underwriting losses, future years' premiums are increased in order to recoup underwriting losses.

20. Net Required Income: The projected amount of income required to cover all plan expenses after application of a rate credit or recoupment, if any.

21. Income at Current Rates: This represents the amount of premium that would have been charged to the group for the entire experience period at their current rates. If a rate change occurred during the experience period, this may not be the actual amount that was billed to your group. Rates reflect the plan in effect during the experience period to account for plan changes during the year. Projected annual plan costs will differ from Income at Current rates if the plan in effect today is different than the plan in effect during the experience period.

22. Percent Base Rate Increase (Decrease): The amount of increase or decrease in your group's current rates that is needed to cover the experience adjusted required income based on the projected plan expenses. This is arrived at by dividing the Net Required Income by Income at Current Rates.

Wyoming Public Schools

2010-11 Rate Renewal Calculation

1. Member Months				4,961
2. Average Covered Members Per Month				413
3. Claims Incurred Oct 2008 - Sep 2009 and Paid through November 2009	<u>Facility</u>	<u>Professional</u>	<u>Rx Drugs</u>	<u>Total</u>
	\$1,997,519	\$2,375,639	\$1,165,748	\$5,538,906
4. Factor: Paid to Fully Incurred	0.01874	0.01976	0.00000	0.0152
5. Amount: Incurred But Not Reported Claims	\$37,434	\$46,943	\$0	\$84,376
6. Estimated Fully Incurred Claims	\$2,034,953	\$2,422,582	\$1,165,748	\$5,623,282
<i>[3. + 5. = 6.]</i>				
7. Annual Trend Factor	9.18%	8.94%	5.06%	8.23%
8. Number Months Trend to July 2010	21	21	21	
9. Effective Trend	1.1661	1.1617	1.0902	1.1485
10. Trended Annual Claims Cost	\$2,372,958	\$2,814,313	\$1,270,898	\$6,458,169
<i>[6. x 9. = 10.]</i>				
11. Claims in Excess of \$100,000 Pool Point				(\$19,405)
12. Pool Charge				\$224,188
13. Projected Claims Cost				\$6,662,952
<i>[10. + 11. + 12. = 13.]</i>				
14. Retention Expense				\$770,889
<i>[Generated Amount based on Group Size]</i>				
15. Total Projected Plan Expenses for 2010-11				\$7,433,841
<i>[13. + 14. = 15.]</i>			<i>Retention as a Percent of Projected Expenses</i>	10.37%
16. Percent of Actual Experience Used for Rating (Credibility Factor)				82.61%
17. MESSA Average Required Income before Experience Rating				\$6,424,745
18. Experience Adjusted Required Income				\$7,258,349
<i>[(15. x 16.) + (17. x (1 - 16.))] = 18.]</i>				
19. Rate (Credit)/Recoupment				(\$95,729)
20. Net Required Income				\$7,162,621
<i>[18. + 19. = 20.]</i>				
21. Income at Current Rates				\$5,849,419
22. Percent Rate Increase (Decrease) in Base Rates				22.45%
<i>[(20. ÷ 21.) - 1] x 100 = 22.]</i>				

The above calculation explains the methodology used to allocate the overall MESSA rate increase by group. The rates for your group's plans are determined by the MESSA base rates adjusted for your creditable experience, geographic location, and group size. Final rates for a MESSA medical plan may vary due to changes in the definable group's demographics, plan changes and if PAK or Non-PAK coverage is offered.



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Larry Donston
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Renewal Rates Effective: July 1, 2010



Wyoming Public Schools

Medical Renewal Report

Comparison to MESSA Average

Claims Incurred Over Rating Periods:

Year 1: December 1, 2007 – November 30, 2008

Year 2: October 1, 2008 – September 30, 2009

Both Years: Paid through December 31, 2009

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Introduction

This report is intended to provide an analysis of the cost and utilization of health care services to help explain your 2010 rates.

IMPORTANT: The analysis is based only on individuals enrolled in MESSA's medical plan for Year 1 (12/1/2007 – 11/30/2008) or Year 2 (10/1/2008 – 9/30/2009).

The report contains claims **incurred** for Years 1 and 2. In both years, data includes claims **paid** through December 31, 2009.

Please Note:

1. Data for this report is NOT the same as what is provided under the Public Employees Health Benefit Act (PA 106). The reports for PA 106 contain **paid** claims/claimant information from December 1, 2007 through February 28, 2010. **Paid** claims in that report are likely to be from an earlier time period – i.e. a time period that is not relevant for calculating current rates. This rate report contains data on an **incurred** period which means that these claims actually took place in the given time period and do factor into rate calculations. Similar to the PA 106 reports, however, this report does not identify claims on an individual level and maintains MESSA's commitment to member privacy.
2. Rates are calculated using a comparison of your group's claims experience this year to your group's experience last year. All of the analysis done in this report compares your group to the MESSA average, simply to give an indication of how your group utilizes health care relative to the rest of MESSA. Rates are **NOT** calculated based on your group's experience compared to the MESSA average.
3. The extent to which this report is relevant to your district depends on your group size. Larger groups have more of their rate determined by their own claims experience. Smaller groups, however, have some of their rate determined by their claims, but a significant portion may be determined by their pooled group. For example, in the 100-499 rating group, those groups closer to 100 members will have most of their rate determined by the entire 100-499 group, rather than their own claims. Those groups closer to 499 members will have more of their rate determined by their own claims.

We hope you find this report useful, but please keep in mind - rates are calculated based on a number of factors, and not all factors are weighted equally. The data from this report alone cannot be used to determine rates.

DEMOGRAPHICS

	Year 1	Year 2
Number of Employees:	427	410

Please Note: This number is based on the average number of employees enrolled in MESSA's medical plan during Years 1 or 2. This may not match the number of employees reported in the census for renewal calculations.

Number of Covered Lives:	1,313	1,287
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	Year 1	Year 2
--	---------------	---------------

Wyoming Public Schools:	3.1	3.1
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Total MESSA:	2.8	2.8
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	Year 1	Year 2
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Wyoming Public Schools:	47.9%	48.3%
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Total MESSA:	48.3%	48.2%
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	Year 1	Year 2
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Wyoming Public Schools:	52.1%	51.7%
-------------------------	-------	-------

Total MESSA:	51.7%	51.8%
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	<u>Wyoming Public Schools</u>		<u>Total MESSA</u>	
	Year 1	Year 2	Year 1	Year 2
Employees:	43.5	44.7	45.2	45.3
Spouses:	44.6	45.6	46.0	46.1
Children:	11.6	11.7	12.6	12.5

Age Gender Breakdown:

Wyoming Public Schools

Age Group	Percent Male	Percent Female	Percent of Total Covered Lives
0 - 14	48.7%	51.3%	26.5%
15 - 19	53.2%	46.8%	7.5%
20 - 24	49.3%	50.7%	7.8%
25 - 29	40.0%	60.0%	4.3%
30 - 34	46.3%	53.7%	7.1%
35 - 39	47.1%	52.9%	10.7%
40 - 44	48.8%	51.2%	6.9%
45 - 49	45.0%	55.0%	6.5%
50 - 54	46.2%	53.8%	8.8%
55 - 59	49.1%	50.9%	9.3%
60 - 64	55.1%	44.9%	3.7%
65 +	62.5%	37.5%	0.8%

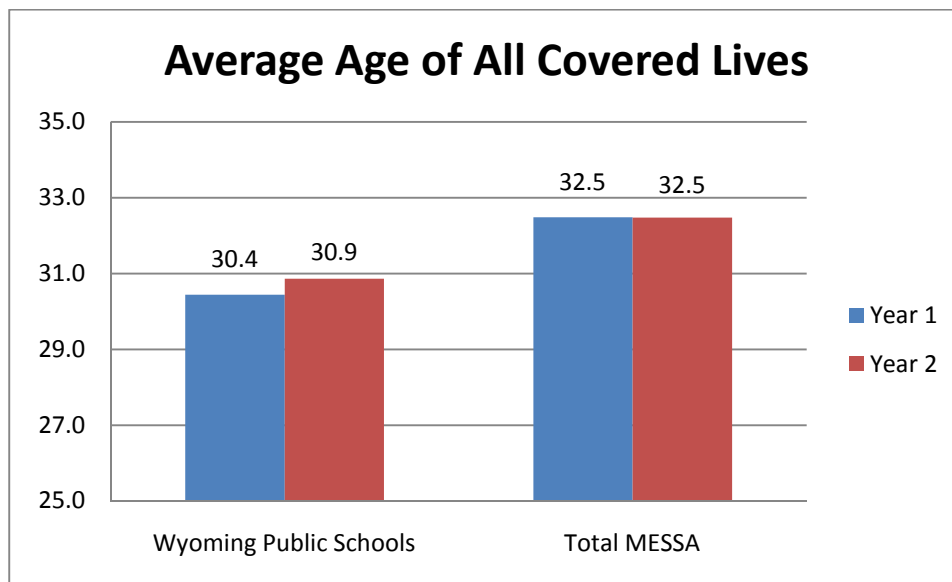
Total MESSA

Age Group	Percent Male	Percent Female	Percent of Total Covered Lives
0 - 14	51.1%	48.9%	22.7%
15 - 19	51.5%	48.5%	8.4%
20 - 24	49.3%	50.7%	8.4%
25 - 29	43.0%	57.0%	5.4%
30 - 34	44.9%	55.1%	7.0%
35 - 39	46.8%	53.2%	7.9%
40 - 44	46.0%	54.0%	7.6%
45 - 49	45.0%	55.0%	7.8%
50 - 54	44.5%	55.5%	9.1%
55 - 59	47.1%	52.9%	9.4%
60 - 64	54.1%	45.9%	4.6%
65 +	62.0%	38.0%	1.6%

Average Age

The average age of all covered lives is depicted here. Claims costs increase as age increases, generally because of increases in utilization and an increased severity of conditions. For example, older patients require more screenings to detect conditions such as cancer; and they tend to have more chronic conditions.

The percent change in health care costs by year of age is approximately 1.5%.

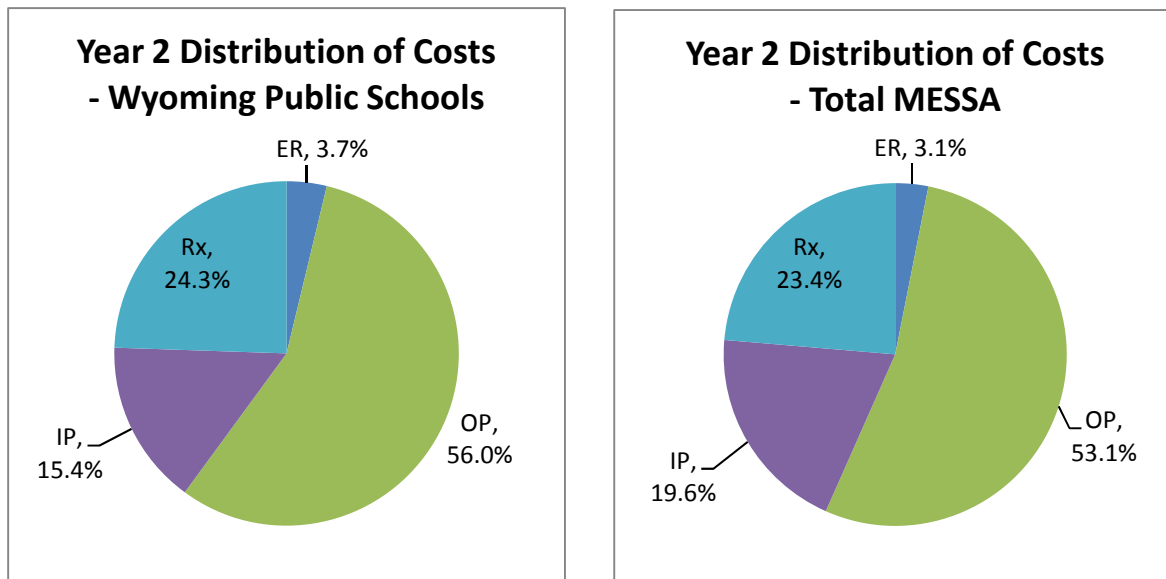


Wyoming Public Schools has had a slight increase in its average age by 0.5 years and has an average age 1.6 years younger than the Total MESSA Population. Generally, this leads to approximately 2.4% decreased spending on health care than Total MESSA. As spending decreases, rates also decrease.

Wyoming Public Schools has a slightly higher average age factor in the calculation of rates compared to last year.

Distribution of Costs

While total costs are important in determining rates, so is the distribution of costs. Determining where and how spending occurs gives some indication as to the severity of conditions in the population, thereby, helping predict future costs. For example, a high rate of inpatient hospitalizations or a high rate of emergency room visits indicates that the population in a given group has a higher level of severity. A high use of outpatient visits or prescription drugs does not necessarily indicate higher severity. In fact, when these services are used properly, they may be an indication of a well managed population. When outpatient visits or prescriptions are over-utilized, however, this leads to higher costs, and therefore adversely affects rates.

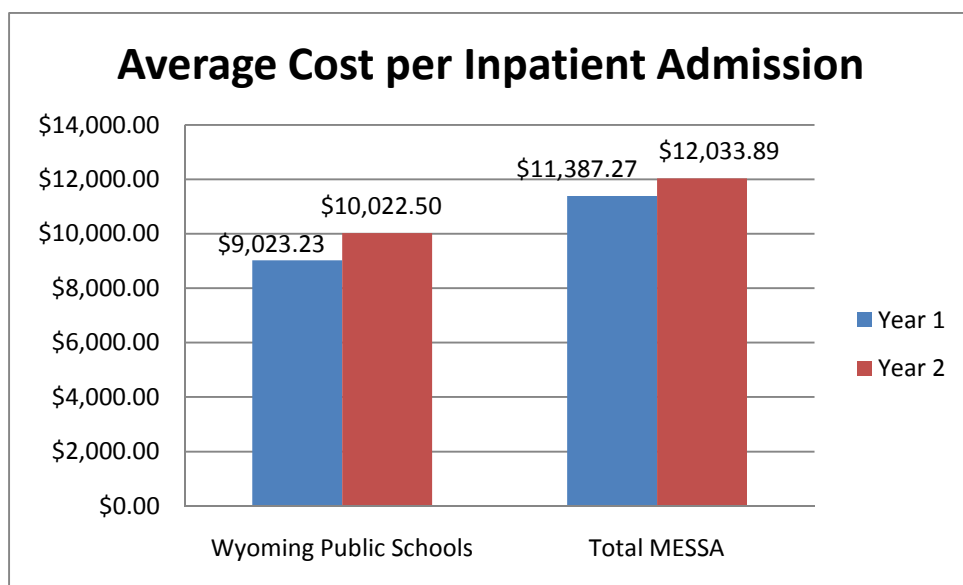
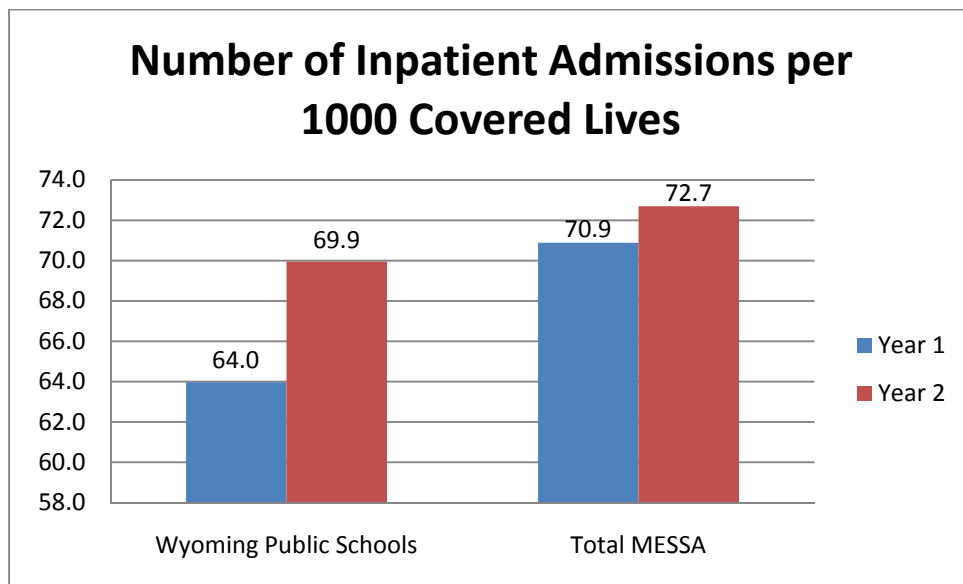


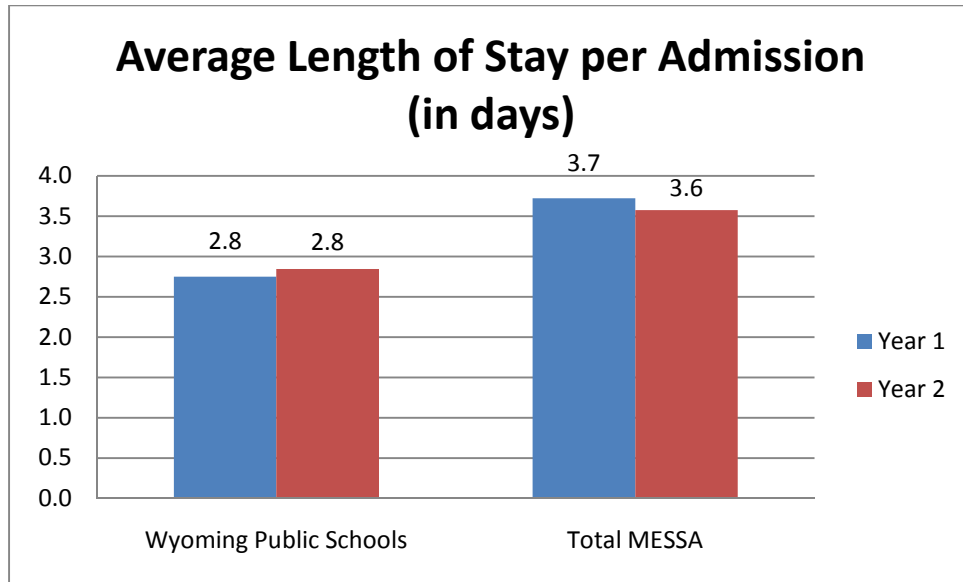
Emergency Room = ER, Inpatient = IP, Outpatient = OP, Prescriptions = Rx

Wyoming Public Schools has higher spending on Outpatient Services, Emergency Room visits and Prescription Drugs than Total MESSA. Spending on Inpatient Admissions is less for Wyoming Public Schools than for Total MESSA.

Inpatient Admissions

As described earlier, increased inpatient admissions lead to higher rates. Inpatient admissions cost more, on average, than outpatient services and indicate a higher severity of condition in the population. The following graphs depict the utilization of inpatient hospital services through: the number of covered lives that have admissions, the average cost per admission, and the average length of stay (in days) per admission.



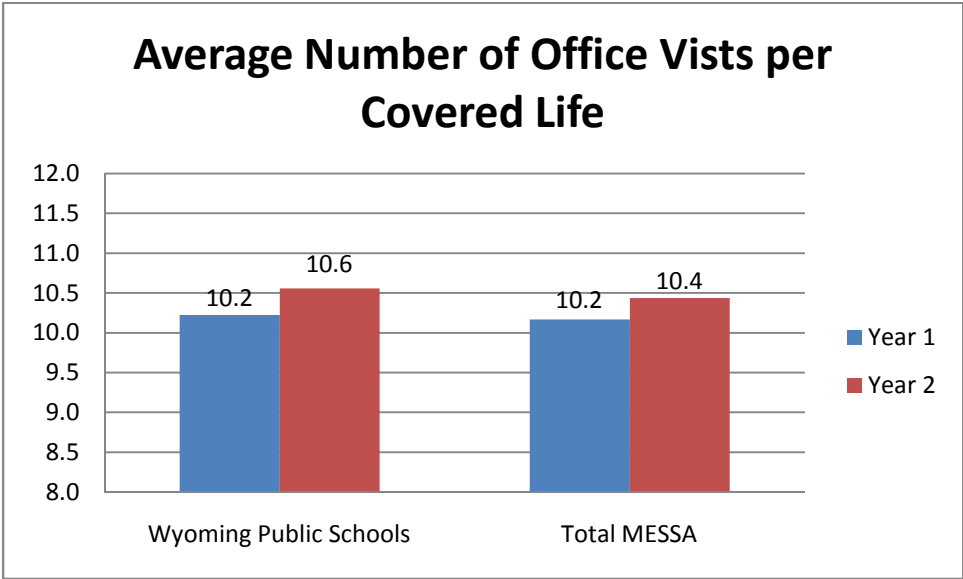


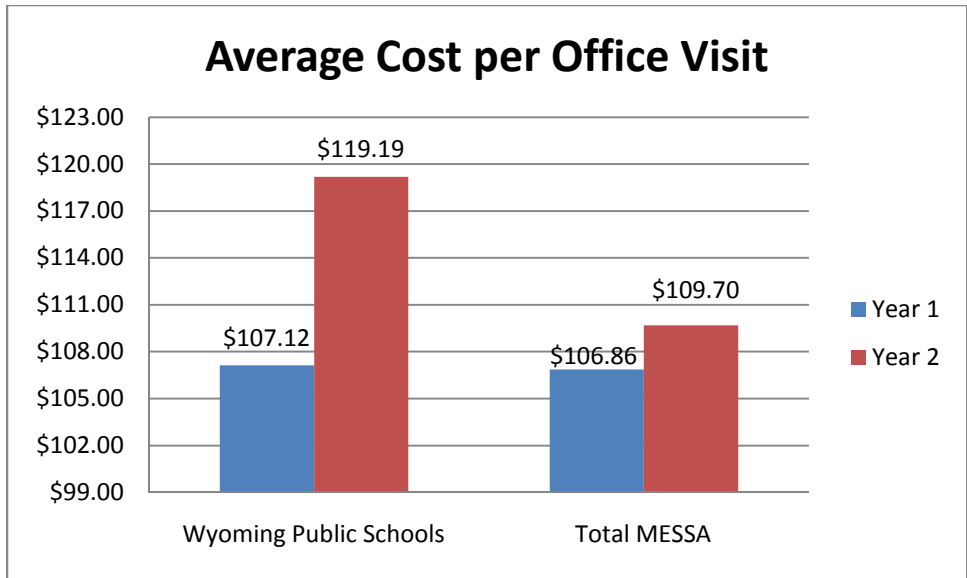
Wyoming Public Schools has higher admissions per 1000 covered lives than it did in the previous year. The average cost per admission in Wyoming Public Schools is approximately \$1,000 higher than it was last year. A higher average cost indicates that those patients being admitted from Wyoming Public Schools have increased severity of illness compared to last year. The average length of stay per admission is similar to the average for the previous year.

Overall, the use and cost of inpatient hospital services is higher in Wyoming Public Schools than in the previous year. The use of inpatient hospital services for Wyoming Public Schools is lower than that of Total MESSA.

Office Visits

The effect of office visits on premium rates is not clear-cut. While an increase in office visits in the short-term can lead to increased rates, in the long term these services can actually lead to reduced rates, when utilized appropriately. This is especially true when a high use of office services leads to better management of chronic conditions or to an increased use of preventive care. Better management and the use of preventive services both lead to reduced severity of illness and, thereby, reduced rates.

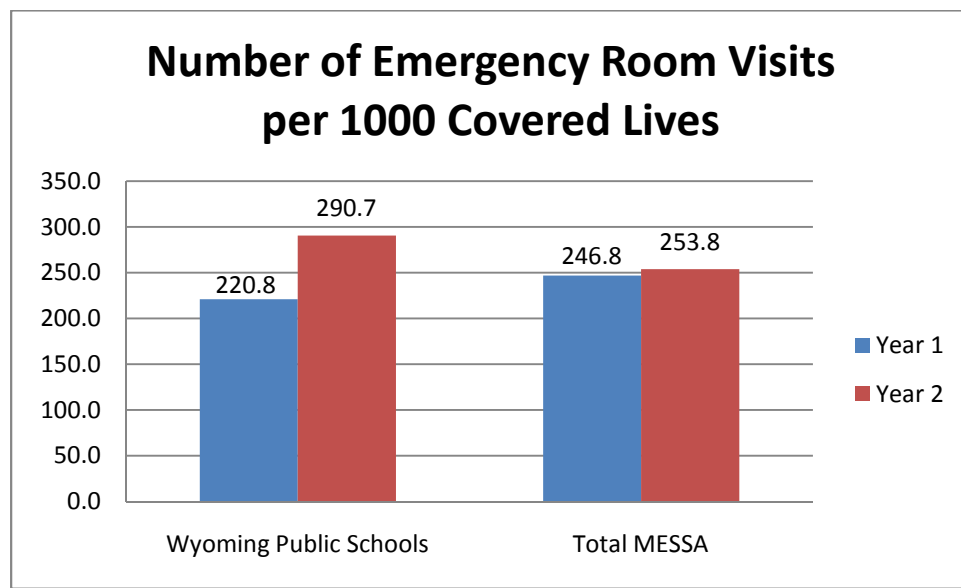


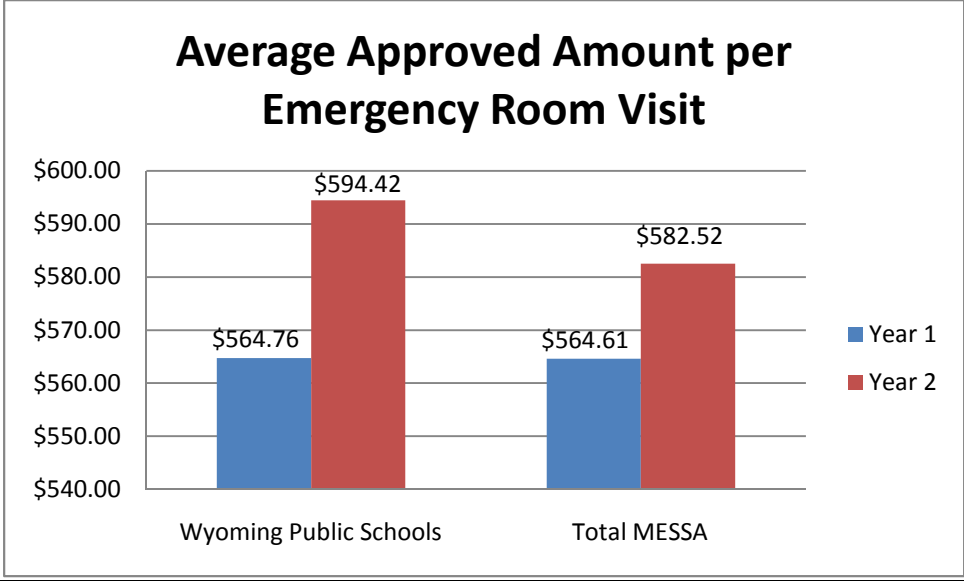


Wyoming Public Schools has a higher average number of office visits per covered life compared to last year. The cost per office visit was lower in Year 1 compared to Year 2.

Emergency Room

The extent of emergency room use provides an indication as to how members are utilizing the health care system. Since care in the emergency room costs more, a high use of emergency room visits may increase rates. The cost per emergency room visit is important because it reveals, to some extent, the severity of each case. Higher average costs show that the average patient in a district generally has worse health status. In fact this may be an indication that patients are avoiding treatment of health conditions, until they are forced to use emergency room services. High utilization coupled with lower costs per visit indicates those patients using the emergency room are doing so for less severe conditions. Using other resources, such as Urgent Care or MESSA's 24/7 Nurse Line, could help in reducing costs for the emergency room and, thereby, may lead to reduced rates.



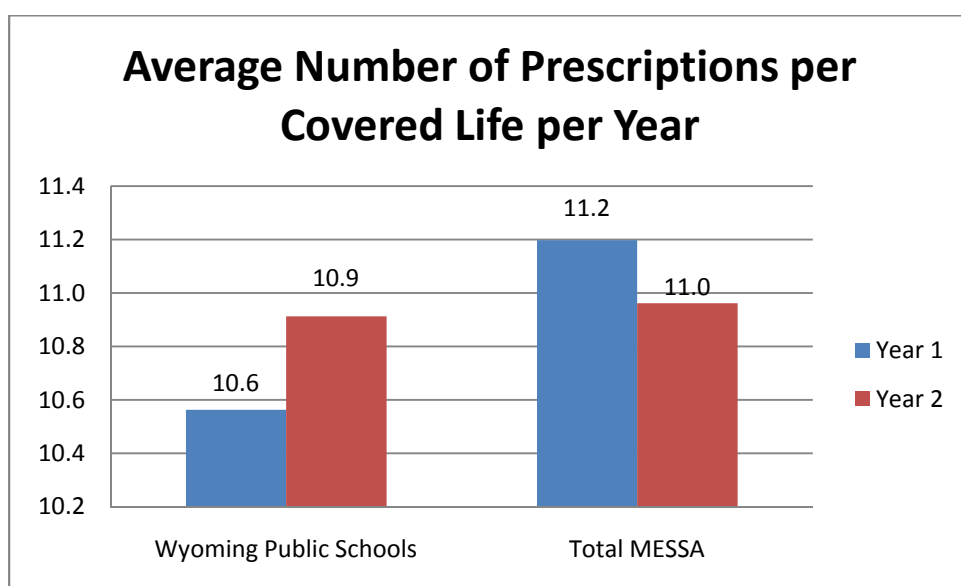


Wyoming Public Schools has had an increase in the of emergency room visits per 1000 covered lives. The average cost of emergency room services in Year 2 for Wyoming Public Schools was higher than that for Year 1. In addition, costs in Year 2 were higher than the Total MESSA average.

Prescription Drugs

As with office visits, the use of prescription drugs does not have a clear cut impact on rates. Inappropriate use and over-utilization does lead to higher rates. However, when used properly, prescription drugs can also reduce the cost of health care by preventing the need for more invasive treatments.

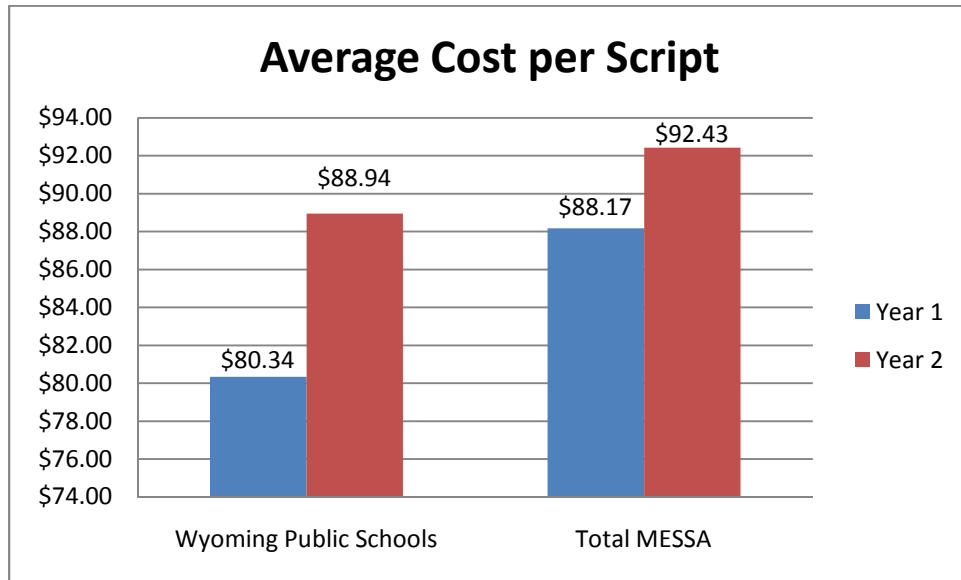
Rates are adversely affected when the cost per prescription is higher than average, such as the case with Brand Names. The following graph depicts the average number of prescriptions per covered life.



Wyoming Public Schools has had a similar number of average prescriptions per covered life between Year 1 and Year 2. The average number of scripts per covered life is also similar to the average number of scripts for Total MESSA.

Average Cost per Prescription

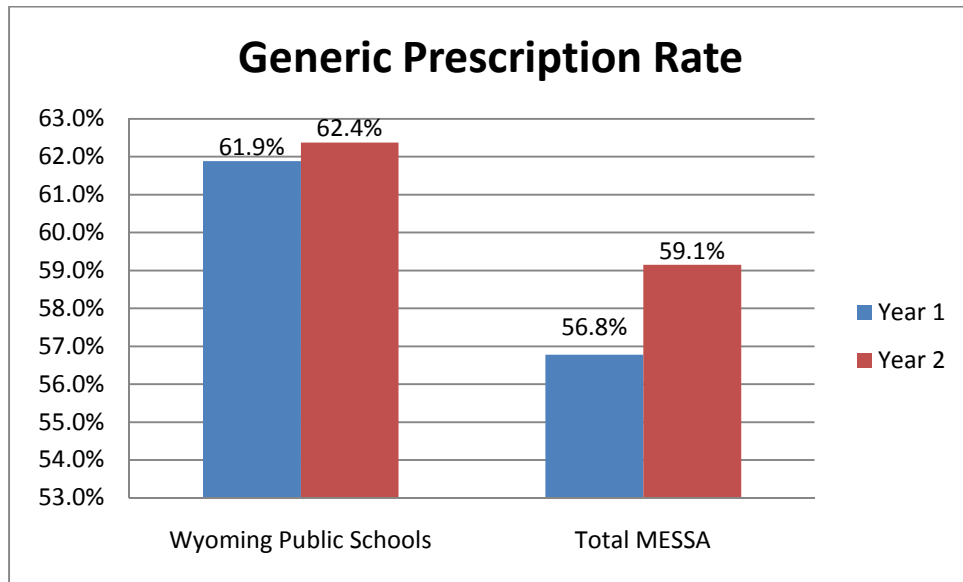
As the average cost per prescription increases, so do rates. The following graph depicts the average plan costs per prescription (copayments are not included).



The average cost per prescription in Wyoming Public Schools for Year 2 is \$8.60 more than Year 1. It is lower than the average cost per prescription for Total MESSA.

Generic Utilization

A higher utilization of generic drugs indicates an efficient use of dollars spent on prescriptions - since generics cost less and are equally effective to their brand name counterparts. The following graph depicts the utilization rate of generic medications.

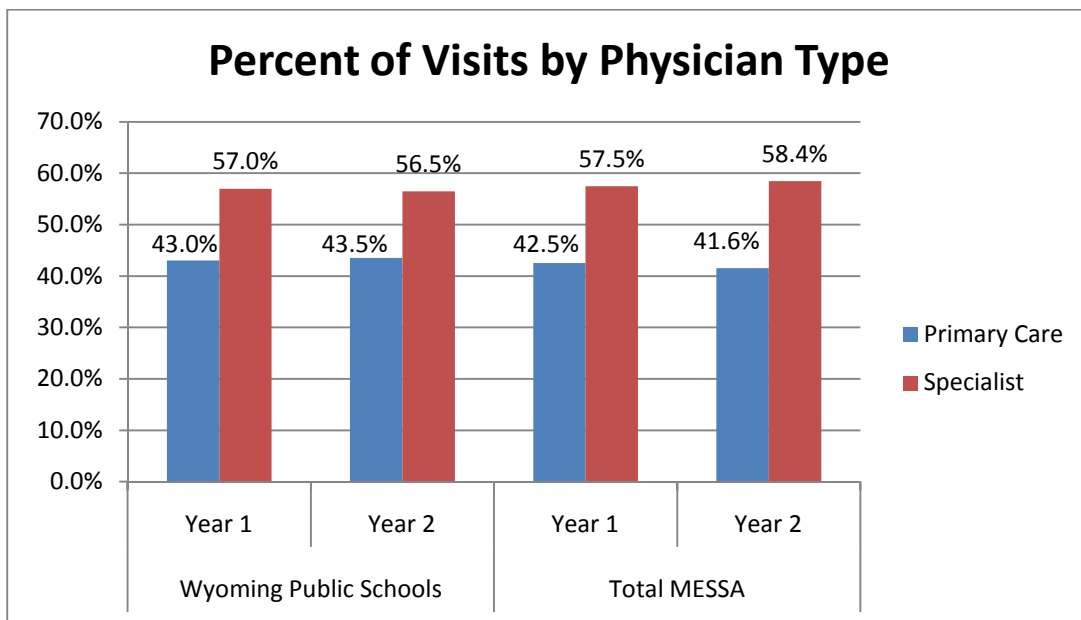


Wyoming Public Schools had similar utilization of generic drugs between Year 1 and Year 2. In addition, Wyoming Public Schools' use of generics is higher than the Total MESSA population.

Providers: Primary Care vs. Specialist

The number of visits is likely to be higher with specialist physicians because there is typically a greater supply of these types of providers in the health care market.

Specialist physicians generally have higher charges than primary care physicians. A high use of specialists increases overall costs and also indicates increased levels of severity for conditions.



Wyoming Public Schools has had a similar percentage of office visits with specialist physicians over the two years of claims data. Wyoming Public Schools' percentage of office visits with specialist physicians is lower than the percentage of office visits with specialists for Total MESSA.

Recommendations

- **URAC Accredited MESSA Member Education Support Programs** for Asthma, Cardiovascular Health, and Diabetes can help patients with these conditions manage their illnesses better; avoid hospitalizations; and reduce severity.
- An increased use of **generic medications** will help lower prescription costs.
- **Preventive Visits** – All preventive visits are covered by MESSA at 100%. These visits help in early detection, which lowers complication rates and severity levels, thereby reducing costs.
- **MESSA’s Wellness Consultant** can help develop these types of initiatives in your district. We also offer a wellness program tool kit as well as other services. Overall wellness initiatives can help in detecting illness at an earlier stage so that patients can be treated more effectively. Examples of wellness initiatives include:
 - *Health Assessments* – to provide awareness to individuals of possible health risks and illnesses.
 - *Program Development* – in creation of wellness programs, education, and team building
- **MESSA Healthy Expectations** provides support for expectant mothers. When a mom-to-be enrolls in the program she will receive a simple health assessment questionnaire to complete and return. Healthy Expectations will then send a guide book and a customized response providing information on health guidelines for pregnant women.
- **MESSA Nurse Line** is a health information line staffed around the clock by registered nurses trained to answer medical questions and offer guidance.
- **URAC Accredited MESSA Medical Case Management** is a unique program tailored to meet the medical needs of our members who may need extraordinary care if diagnosed with a catastrophic illness or injury through direct involvement in the management of care.