



WAM-JPIC

Partners for Health

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RECEIVED
APR 24 2023

MEMORANDUM

TO: WAM-JPIC Health Administrators
FROM: Earla Checchi, Finance Manager
DATE: April 20, 2023
SUBJECT: Annual Renewal Information

Attached you will find your Annual Renewal information and form as well as the renewal rates for your group.

Over the past several years the WAM-JPIC program has performed well. We all recognize that health care costs continue to rise annually and the Board's philosophy regarding premium rates continues to reflect this reality. After careful review of all aspects of the program (claims experience, premium revenue, and reserves) the WAM-JPIC Board voted for the following components: 1) a 1% increase for medical rates, 2) **tier adjustments that reflect each entity's risk and claims experience, one tier change is the maximum per year and could result in an increase or decrease in premiums of approximately 5%,** 3) **2% increase for dental, and no increase in vision premiums,** 4) **an increase for rate adjustments which could result in an additional increase to premiums based on your deductible.**

A review of the program benefits was also conducted, and it was determined that the five basic benefit options should remain in place in the coming contract year. The benefit options available include a \$500, \$1,000, \$1,500, and \$2,000 deductible, with coinsurance, as well as an HDHP (High Deductible Health Plan) option. A summary of these benefits has been included.

The WAM-JPIC program is essentially owned by its members, all of whom are municipalities or related joint powers boards. Revenues are used to pay for claims and expenses, but there is no "profit" to be paid to an outside entity. Excess revenues, if any, stay with WAM-JPIC and are added to the program reserves or returned to the members in the form of a premium holiday.

As stated earlier, the cost of medical care and prescription drugs is continuing to rise. The Board continues to work in conjunction with Blue Cross Blue Shield of Wyoming to hold down the cost of insurance. Through our relationship with Blue Cross Blue Shield of Wyoming our employees have access to a large network of providers who have agreed to accept our allowance as payment in full and will not bill the patient for amounts over the allowance. Be sure that your employees use a participating provider whenever possible as this will result in lower costs for both the plan and the employee.

What are the advantages of WAM-JPIC?

Premium Value. One of the distinguishing factors of WAM-JPIC is that over 90% of the money received through premiums is used for claim expenses. You can rest assured that the amount of premium dollars used for non-claims expenses (commissions, administration, distribution, profit) in the WAM-JPIC program is substantially lower than that found in the private insurance market. WAM-JPIC is fortunate that we have maintained this high-level premium utilization for so many years. The Board is committed to keeping this percentage for the future.





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There is Long-Term Stability with WAM-JPIC. This has been proven over the many years of existence. We have found that over a period of years, the increases have been and still are below those imposed by others in the industry. WAM-JPIC does not claim to be the least expensive insurance for any single year; however, we are determined to maintain consistent and stable rates and provide benefits as good as or better than those in the industry, meeting the needs of all the member entities.

WAM-JPIC is governed by a Board consisting of elected and appointed officials from member Wyoming municipalities and joint powers boards, not by an out-of-state company who does not understand municipalities, JPB's or Wyoming. This Board knows Wyoming and understands the unique healthcare environment facing Wyoming municipalities, JPB's and their employees. Wyoming does not have the luxury of competition among medical facilities and providers as do other states with large metropolitan areas.

The WAM-JPIC program is a pool of 67 member entities. Everyone shares in the risks, the good and the bad. When one member has a 'bad' year with a catastrophic event, the risk is shared with the others. And the same holds true when there is a 'good' year. Your entity may be helping others. The system is stabilized with eighteen rate tiers that keep rates equitable. Tier changes are limited to one tier per year, both up and down. If one entity experiences a 'bad' year their tier may increase by one. The same holds true if an entity has a 'good' year that would lead to a one tier decrease. There is a cap at the bottom and at the top. The Board strives for this stability because it helps to maintain the health of the pool. All of the claim's funding goes into the 'pot' and all of the claims come out of the 'pot'.

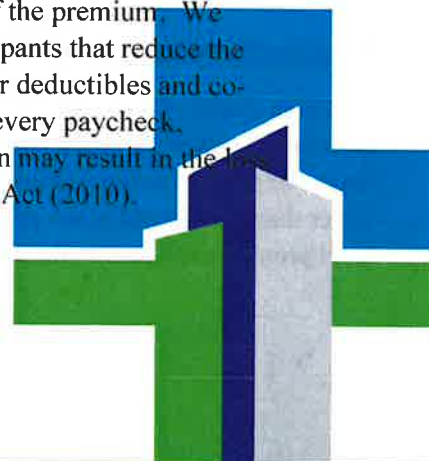
What can WAM-JPIC members do to control costs?

HRA's (Health Reimbursement Arrangements) as well as other "Tax Efficient" programs are available through WAM-JPIC. We encourage you to review the enclosed material and call if you have any questions. In general, this year's increase is just a "higher cost of doing business" that affects everyone today. We have checked with those outside the public sector and the story is the same. Health care costs are increasing, and rates are increasing. No matter what any employer does, claims are claims. Premiums must keep up with costs to pay for the claims. This cannot happen unless cost increases are matched by premium increases.

To help members control their costs, WAM-JPIC offers a choice of Plans with several deductibles, as well as an HDHP. We also offer Dental and Vision options that can be added to any of the five plans.

Some members may be thinking about asking employees to pay a share (or larger share) of the premium. We encourage you to be cautious – you don't want to drive away the young and healthy participants that reduce the average cost of the program. In general, employees prefer to take their chances with higher deductibles and co-payments. When employees contribute more of the premium, they are forced to pay with every paycheck, whether or not they have any claims. Additionally, a change in your employee contribution may result in the loss of your grandfathered status under the terms of the Patient Protection and Affordable Care Act (2010).

Thank you for being a member of WAM-JPIC.





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Attached are Several Forms that you will need to complete and return to the WAM office by May 12, 2023.

The annual renewal on July 1st is the only time that changes in benefits, probationary period, or eligible classes are allowed.

Health Benefit Selection Form

- **STATUS**
 - The 'Probationary Period' you choose to select will be applicable to individuals hired on or after July 1, 2023.
 - Employer/Employee Contribution

Please verify or make the appropriate corrections on the form.

- **CURRENT MEDICAL COVERAGE** – Listed is the Plan you are currently on. ***Please circle the Plan you wish for the upcoming year.***
- **CURRENT DENTAL COVERAGE** – Listed is whether or not you have chosen the Dental Option. ***Please circle "yes or no" as your choice for the upcoming year.***
- **CURRENT VISION COVERAGE** - Listed is whether or not you have chosen the Vision Option. ***Please circle "yes or no" as your choice for the upcoming year.***

The reverse side of this Form explains the 5 Medical Benefit Options available to municipalities.

Loss of Grandfathered Status Form

- The bulletin titled "Maintaining Grandfathered Status" provides an overview of ways in which you can lose your grandfathered status and the consequences of doing so.
- If you choose to make a change to your plan that results in the loss of your grandfathered status you will need to complete, sign and date this form.

Employer Contribution Certification Form

- The bulletin titled "Employer Contribution and Grandfathered Status" provides an explanation of how changes to your employer contribution affect your grandfathered status along with several examples.
- Once your city/town council has made its final decision regarding employer contribution, please check the appropriate box and, if applicable, add a description of your contribution change in the space provided.
- Finally, please sign and date the form.

Sign, date, fax (307.632.1942); email checchi@wyomuni.org the forms back to Earla. For more information and details on the WAM-JPIC Medical Benefits please call Earla at the WAM office, 307-632-0398.

