



INSURANCE SERVICES

An organization established by the legislature to provide cost efficiencies in the purchase of insurance



Who Are We and How Do We Help?

Based in North Mankato, Minnesota, the South Central Service Cooperative (SCSC) programs and services are member driven to utilize resources in the most efficient and effective manner possible. SCSC is one of nine regional agencies called service cooperatives, established in 1976 by Minnesota legislation (M.S. 123A.21). The Minnesota Service Cooperatives perform planning on a regional basis and assist in meeting specific needs of clients in participating governmental units which could be better provided by a Service Cooperative than by members themselves. We specialize in providing insurance services.

The health insurance pools for public schools were developed by Minnesota's network of Service Cooperatives in 1982. In 1993, the Service Cooperative pools became self-insured. In 1995, pooling was extended to Cities, Counties and Other Government Agencies (CCOGA).

The Service Cooperative health insurance pools have grown voluntarily through a market driven system. We administer contracts for over 600 groups across Minnesota, including small to large groups, covering more than 100,000 people.

What is a SCSC Health Insurance Pool?

Health insurance pools are formed by groups who band together to leverage economies of scale to lower costs and achieve claim cost stability. The South Central Service Cooperative manages the pools, manages premium collection, conducts carrier proposal every four years and negotiates stop loss and administrative costs which are approximately 20% lower than the commercial market. These pools are governed by state law and an elected board of directors and consist of public employers who maintain a Joint Powers Agreement with the Service Cooperative.

CONTACT US FOR MORE INFORMATION

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Why Participate in a SCSC Insurance Pool?

South Central Service Cooperative (SCSC) partners with several nationally known companies to provide a variety of standard and tailor-made insurance plans and services that are efficient and priced right. As the result of insurance pooling, specially negotiated rates are available to public and non-profit employers who become (are) members of the cooperative network. There are no membership fees for joining any of these insurance programs.

- South Central jointly negotiates with six other service Cooperatives on behalf of insurance pool participants for:
 - Reduced administrative charges
 - Standardized Agreements
 - Network Arrangements and Provider Savings
 - Manufacturer Drug Rebates
 - Reduced Stop Loss Charges
 - Improvements in Claims Tracking Reports
 - Professional Health Support and Self-Care Education
 - Wellness Reimbursement Program
 - Healthy Start Prenatal Support
 - Stop Smoking Program

- This statewide coalition also collaborates in other ways:
 - Bid Specification Development
 - New Products and Development of Commerce Filings
 - Program Audits
- The South Central Service Cooperative staff work closely with the carrier's local account representative to analyze and advocate your group's needs.
- Group coordinators can receive help from the pool with open enrollment meetings, presentations, and individual consultation.
- Annual renewals are conducted by the pool with the guidance of internal insurance and underwriting expertise.
- Health insurance pool members receive free employment law seminars (COBRA, HIPAA, insurance law, pharmacy updates and trends, etc.).
- Groups can access health promotion (wellness) program development and interactive client reporting.
- Groups can access flex administration at below market rates.
- Groups can access an employee assistance program.



We provide participating groups and their members the advantage of size and expert management in meeting their health insurance needs.

Key Values of the SCSC Insurance Program

The South Central Service Cooperative manages pools for both schools and government; providing the advantages of pooling for more than 80 groups. The Service Cooperative pools provide participating groups and their members the advantage of size and expert management in meeting their health insurance needs. Among the key values are:

- **Economies of Scale:** The South Central Service Cooperative is one of seven regional Service Cooperatives who leverage their purchasing power statewide to form a single competitive purchasing pool for health benefits administration, high claim protection, and a lower maximum overall risk exposure than other pools. This is how we keep costs down.
- **Regional Claim Pooling:** At the regional level, each Service Cooperative reduces the volatility of claim cost fluctuations by managing pools of similar risk groups (schools in one pool, political subdivisions and other governmental entities in another pool).
- **Stabilization Fund Pooling:** While the pools are managed regionally, there is a common method used statewide for ensuring each has a reserve fund that is maintained for the purpose of keeping pool costs as stable as possible. Each pool manages a “Rate Stabilization Reserve Fund” expressly for this purpose. Each participating pool group has a membership interest in this fund.

■ Leadership Position in Consumer Healthcare:

The Service Cooperative pools have led the design and development of consumer healthcare plans for more than five years. These pools and their member groups have implemented more high-value, practical consumer driven plans than the national average of health plans. This has resulted in lower costs for our groups while putting more healthcare dollars into the pockets of VEBA, HSA, and HRA plan participants.

How Does SCSC Insurance Pool Stabilize Costs?

- Superior competitive cost structure
- Lower administrative and stop loss costs
- Consumer driven healthcare options
- Deeper discounts with healthcare providers
- Improved prescription drug value and rebate return
- Uses best practice health care support services
- Assistance with worksite wellness initiatives
- Improved administrative process efficiency
- Health care quality initiatives
- Centers of excellence
- Group and pool level planning services including RFP requirements

SOUTH CENTRAL SERVICE COOPERATIVE REQUEST FOR PROPOSAL/QUOTE APPROVAL FORM

To: Dr. Les Martisko, South Central Service Cooperative Executive Director
Andrew Roos or Janet Doyle, BCBSMN

Fax number: 651-662-0434

(Also fax a copy to Larry IntVeld, SCSC Insurance Service Director at 651-483-2598)

Date: _____ Group Name: _____

Group Contact _____ Group Phone Number _____

Has group requested agent? Yes No Agent Name/Agency? _____
Reform 2-50? Yes No

This group is approved by South Central Service Cooperative for a Service on an effective date of _____

Approved by: _____

Dr. Les Martisko, South Central Service Cooperative Executive Director

SERVICE COOPERATIVE FINAL PROPOSAL RELEASE APPROVAL

Approved by: _____
South Central Service Cooperative Executive Director

CERTIFICATION of ERISA EXEMPTION FORM

Many employee benefit plans offered by employers are subject to the federal Employee Retirement Income Security Act of 1974 (ERISA). ERISA imposes a number of special requirements on employers and employee benefit plans.

To maintain the integrity of the Minnesota Service Cooperatives insurance pools, Blue Cross Blue Shield of Minnesota (BCBSM) and the Minnesota Service Cooperatives have decided that they would like to assure that only ERISA exempt benefit plans become a part of the Service Cooperative health insurance pools. ERISA specifically exempts from its scope "governmental plans". **Your Service Cooperative would like to confirm that your entity is exempt from ERISA.**

- A benefit plan qualifies as a "governmental plan" if it is established or maintained for its employees by the United States, a state of local government, or by any agency or instrumentality of either of the above. Thus, benefit plans established by instrumentalities of local government units and political subdivisions are ERISA exempt. The political subdivision does not have to be a government itself in order for its benefit plan to be exempt.

Sometimes it may not be readily apparent if an organization sponsors an employee benefit plan that qualifies as a "governmental plan". The enabling legislation or organizational documents of an entity may furnish information that will help determine if the entity is a government instrumentality.

If you have questions of whether your particular organization is an ERISA exempt entity, we recommend that you consult your tax advisor or legal counsel. If you know that your health benefit plan is ERISA exempt, please complete the information below.

On behalf of the undersigned, I hereby Certify that the health benefit plan offered by _____ (Name of Entity) is exempt from the Employee Retirement Income Security Act of 1974 (ERISA) in that the plan qualifies as a governmental plan.

By: _____ Title: _____
(Signature of Authorized Representative)

Date: _____