

# South Central Service Cooperative Health Insurance Pools



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.

**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.

**Group Level Planning Services:** The pool provides expert, individualized planning assistance to the local insurance committee to help them assess and implement solutions that will produce better outcomes. The Coop pools also satisfy participating groups’ bid law requirements; providing full disclosure and price transparency.

**Pool Level Planning Services:** The regions work individually and cooperatively to research and update best practices and develop strategies that align with them. This process includes direct input and active participation by group representatives in pool planning and decision making.

**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 and HSA (health savings account) plan participants.

**Lower Administrative and Stop Loss Costs:** These negotiated rates are usually 20% below the commercial market.

These key values make the Service Coop’s not-for-profit insurance pools the best, long term choice for the vast majority of Minnesota’s school districts, political subdivisions and governmental entities.

The South Central Service Cooperative manages pools for both schools and government; providing the advantages of pooling for more than 80 groups and 10,000 members.

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