



Wisconsin Health Care Cooperative

Questions and Answers

1-8-09

(1) Who is Common Ground?

Common Ground (CG) is an alliance of congregations, religious groups, small businesses, non-profits, schools, unions and neighborhood associations whose mission is non-partisan political power for social change. CG's 55 member organizations come from Milwaukee, Waukesha, Ozaukee and Washington Counties. Health care reform is one of the top issues identified by the 55,000+ members of CG organizations.

(2) What is the Wisconsin Health Care Cooperative (WHC)?

WHC is and will be an alliance of small businesses, self-employed individuals and non-profit organizations from throughout Wisconsin who will join together to purchase health insurance coverage for themselves and their employees. It is a beginning step in our efforts to reform our health care system.

(3) What is a Cooperative?

Cooperatives have been in existence for decades in America in farming, food stores, and housing. A cooperative is a group of people and/or organizations who band together to increase their purchasing and/or selling power. It exists for the benefits of its' members. It is designed not to make a profit and is controlled by a Board of Directors, elected by the members. Members will be able to see all of the financial records of the Cooperative.

(4) Why is WHC important?

Small businesses, self-employed individuals and non-profits struggle to provide affordable insurance for themselves and their employees. Consider this:

- The largest portion of uninsured in the USA work for small businesses
- **Small businesses pay 18% more in health insurance premiums for the same benefits as those in the largest firms**

Small business owners, self-employed individuals and non-profit organizations have little if any power to negotiate with health insurance companies.

(5) How did WHC come into being?

Wisconsin is the first and only state in the USA to allow health insurance cooperatives. In 2005, the Wisconsin legislature and Governor Doyle passed and signed legislation which allows health insurance cooperatives to organize. They recognized the need to reform the insurance market for small businesses, the self-employed and non-profit organizations.

(6) Who runs WHC?

The initial Board of Directors includes:

- Wayne Corey – the Executive Director of Wisconsin Independent Businesses, a state wide alliance of 52,000 members from 16,000 businesses and 9,000 farms. Wayne and WIB supported the Coop legislation.
- Curt Gielow – former Republican State Assembly member from Mequon, was the architect of the Coop legislation.
- Kristine Hage – Executive Director of Cedarburg Chamber of Commerce.
- Randy Marking – President, Innovative Benefit Solutions (IBS). IBS provides benefit programs, including health insurance, to companies. Randy has 28 years of health insurance experience and is the “technical” person on the Board.
- Charlie Stevens – attorney with Michael, Best in Milwaukee; is doing the legal work for the establishment of WHC.

All Coop members will have voting rights and will elect the Board of Directors.

(7) What is the relationship between Common Ground and WHC?

After months of research by the CG Health Reform Committee, Common Ground has committed itself to recruit groups with 600-900 covered individuals and annual premiums of \$3.5 to \$5 million who will join WHC. To date we have groups signing Intention Forms who represent 500 to 525 covered lives with \$2.5 to \$2.7 million in annual premiums. CG is also asking for a representative to serve on the WHC Board of Directors. CG sees the potential power which this Cooperative can bring to its members.

(8) Who can join the WHC?

Small business owners with employees ranging from 2 to 200; self-employed individuals; and non-profit organizations with 2 to 200 employees can join. There will be an annual Coop membership fee of \$240 to cover WHC administrative costs.

(9) How do you join?

You can sign a Common Ground Intention Form. This is not a legal obligation but it lets us know you are serious. When the Cooperative actually begins, anticipated in April of 2009, we will let you know the enrollment procedures. WHC plans to begin with 2,000 to 3,000 covered individuals with premiums of \$10-\$15 million within the first year.

(10) How long do members join?

Members join for 3 years so that the Cooperative can grow and remain strong in its formative stages. You can leave the Cooperative before the 3 years, but you will pay a penalty equal to one month's premium payment.

(11) Will this save us all money?

Yes, that is our expectation! Initially we expect premiums to be **12% to 15%** less than the going rates you are now paying. We also expect WHC to keep rate increases reasonable and below market increases. The only other functional Cooperative in the state is made up of farmers and their increase last year was only 7.9% - very reasonable by small business rate increase standards which this year were in the 11% to 18% range. Price stability will be one of the advantages of the Coop.

(12) What plans will be available?

There will be a range of 5 different plans from which employers and employees can chose. A summary of these is attached. The premiums will vary with the plan. There will also be vision and dental plans as well as a “mini-med” plan for part-time employees who want/need minimal coverage. The plans will be fully insured. We are not self insuring.

(13) What networks will be included as providers in the plans?

All of the major state and regional health care systems will be included in the plans offered. There is also a national network of providers so that companies based in Wisconsin with employees in other states can become Coop members.

(14) Will member groups be rated separately?

Yes, each group which joins will be rated separately and will thus pay different premium rates. However, we will all benefit from being part of a larger work force pool. We will be “spreading our risks” among a larger group of people. This is the advantage that larger companies with thousands of employees have in negotiating with insurance companies. We will have that same advantage.

(15) What is the future for WHC?

Within 3 years of beginning, WHC could grow to 20,000 covered individuals from throughout the state with annual premiums of \$100 million. We could then become our own insurance company (non-profit) and provide great benefit to our members and those now uninsured.

(16) Who is opposed to WHC?

Part of the reason it has been so difficult to actually begin WHC is that the major companies who dominate the Wisconsin private insurance market oppose the Cooperative. It is perceived as a threat to the considerable profits they make in the small group market. WHC is now working to attract a large out-of-state company to work with us on this effort. Common Ground is working to receive Coop Intention Forms in order to make this negotiating process more attractive to a potential insurer.

(17) How can we help?

You can contact the Common Ground Health Care Reform committee through its coordinators:

Bob Connolly	bconnolly@jamescompany.com	414-272-0101
Theresa Tobin	Theresa.tobin@mu.edu	414-264-2483

You can fill out the Cooperative Intention Form on-line at www.commongroundwi.org.

Summary of Plans to be offered by Wisconsin Health Insurance Cooperative (WHC)

Deductibles – plans will be offered with deductibles ranging from \$500 per year to \$6,000 per year. An HSA plan will be available.

In-Network – the plans will have a PPO feature, meaning that fees will be less for using in network providers. Plan participants will pay additional costs for using out-of-network providers.

Co-Insurance – co-insurance on all covered services will range from 10% to 40% depending upon the plan chosen and the use of in-network and out-of-network providers.

Out-of-pocket maximums – these will range from \$1,500 to \$12,000 annually depending upon the plan chosen and whether it is an individual or a family plan.

Coverages – these items are covered depending upon the plan: preventive care, well baby care, immunizations, allergy testing, physician visits, urgent care, emergency care, hospital care, surgical care, x-ray and lab tests, ambulance care, skilled home care, skilled nursing care, inpatient and outpatient hospice care, durable medical equipment, prescription drugs, oral surgery, orthotics, chiropractic services, hearing exams, organ transplants, mental health and substance abuse treatment.

Dental & Vision Coverage – separate plans will be available for these services, but are not included in the basic plans described above.