



RE: Response to Misleading Statements Circulating from an Insurance Agency

March 19<sup>th</sup>, 2026

We have recently been made aware of, yet another misleading communication distributed by an insurance agency regarding the OPEH&W Health Plan. Unfortunately, this has become a recurring pattern. The agency has circulated a document; an image of which is included at the end of this response—to many participating groups. The document follows a familiar tactic: selectively presenting data without context, without explanation of corrective actions taken, and without acknowledgment of new initiatives underway

This approach is naïve, simplistic, and designed to create unnecessary alarm.

As a public entity, you deserve nothing more than a fully transparent explanation of the current position of the OPEH&W Health Plan; itself a public trust, held to the same state transparency standards as its participating groups.

Therefore, given that this document also references financial data approaching 4-months old, it was necessary for us to prepare the following point-by-point response, representing the true position of the OPEH&W Health Plan:

#### **Document's Position:**

- YTD Loss (\$2.45M); negative net position; credit lines fully utilized.
- Pricing gap: many plans 5-13% below actuarial indications → increased assessment risk.
- Claims payables and borrowing needs exceed liquid assets; lines of credit are effectively maxed, increasing risk of delayed claim payments if cash tightens.
- Premiums are not covering claims and administrative costs (ratio 112%).
- The actuarial study provided to the plan indicated increases were needed for each plan option, selected rates are 5-13% below indications.
- Implication: structural funding gap increases risk of future assessments or mid-year rate actions.

#### **Actual Position:**

- These statements are misleading and completely fail to mention the mitigation actions which were taken.
- **Pricing Gap:** As it does every year at this time, the actuarial study indicates the premium adjustments needed for the upcoming plan year. For the upcoming plan year, this indicated pricing increases of between 5-13% would be required. As such, following the recommendations of the actuarial report, the OPEH&W Health Plan's Board of Trustees

voted in increase premiums by 9.9% across all plan designs. This in no way increases assessment risk.

- **Recent Assessment:** As of the date of this document, \$4.2 million of the \$5 million assessment has been received, and have been used to pay medical and prescription claims, removing claims payment concerns.
- **Script Sourcing:** A new initiative has begun, offering alternative sourcing of 61-medications. There are approximately 450 members using one or more of these medications. By participating in this program, members will receive their medications for zero cost, home delivered, in 90-day supply amounts. The benefit to the Health Plan is estimated to reduce claims costs by \$2.5 million per year, with an outside possibility of as much as \$5 million.
- **Over 65 Active Spouses:** A new initiative has begun, offering over 65 spouses of active members the ability to enroll in a Medicare supplement. Doing so will reduce their annual premium costs by approximately \$6,000 and significantly reduce their out-of-pocket costs. The benefit to the Health Plan of this is estimated to reduce claims costs by \$3 million per year.
- **Credit Line:** Principle reducing payments totaling \$100k against the credit line have been made in the past 30-days, with additional monthly payments budgeted to continue at similar or higher amounts.
- **Future Assessment & Mid-Year Rate Adjustments:** The combination of all these initiatives and actions is projected to make the risk of future assessments minimal, while the likelihood of mid-year rate adjustments, a mechanism the OPEH&W Health Plan has never used, remain a very remote possibility.
- **Monthly Average Per Member Claims & Fixed Costs:** The current position of the OPEH&W Health Plan is best observed and demonstrated by examining the average per member monthly spend (net Rx Rebates). This shows a 18.2% improvement this plan year (as of Feb 28) and the 2024/25 plan year, and that the OPEH&W Health Plan is not only fundamentally on the right path, but with the recent assessment and the new initiatives mentioned above, a re-built and strengthening foundation is on the horizon.

2024/25 Plan Year	\$1,371	
2025/26 Plan Year to Date	\$1,121	-18.2%

Contrast this against the national small group market, which in 2026 is experiencing significant average increases of **+11%**. Let's not forget, no other coverage option comes close to offering the plan designs from the OPEH&W Health Plan, with its suite of zero-cost benefits which are putting money back into the pockets of your employees and their families.

## Document States:

- Plan is considered a MEWA and not regulated by the Oklahoma Insurance Department.

## Fully Transparent Response:

- We are not a Multiple Employer Welfare Arrangement (MEWA). The OPEH&W Health Plan is an Inter-Local Public Trust, formed under Oklahoma State Statutes 51 and 74. These are the State Statutes which allow Oklahoma's public entities to work together for a common purpose using Inter-Local Government Agreements. Regulation of the provisions set forth in these State Statutes falls within the purview of the office of the Attorney General of Oklahoma. With ownership and decision-making control of the Public Trust retained by those groups who are participating.

### OPEH&W MEWA – Trustee Handout (Summary)

Mar 16, 2026

#### Executive Summary

- YTD loss (\$2.45M); negative net position; credit lines fully utilized.
- Pricing gap: many plans 5-13% below actuarial indications → increased assessment risk.

#### Financial Snapshot – YTD through Nov 30, 2025

Metric	Value
Revenues	\$20.37M
Expenses	\$22.82M
Net Loss	(\$2.45M)
Expense Ratio	112%
Accounts Payable	\$7.18M
Bank Loan	\$3.40M (credit lines fully utilized)
Equity/Capital	(\$2.99M) deficit
Facility Status	Arvest draft \$3.4MM, 12-month, secured to 70% LTV; not a commitment to lend

#### Top Risks if Renewing with OPEH&W:

- Claims payables and borrowing needs exceed liquid assets; lines of credit are effectively maxed, increasing risk of delayed claim payments if cash tightens.
- Premiums are not covering claims and administrative costs (ratio 112%).
- The actuarial study provided to the plan indicated increases were needed for each plan option; selected rates are 5-13% below indications.
- Implication: structural funding gap increases risk of future assessments or mid-year rate actions.
- Plan is considered a MEWA and not regulated by the Oklahoma Insurance Department.