

Plan Governance Policies

New Policies

- **Rates Setting Policy:** During the 9/3/2026 meeting, the Board approved a stand-alone policy be created. Creation of this policy, with the assistance of the actuary is already underway. Policy language is expected to be ready for review and potential approval during the 11/19/2026, and 12/17/2026 board meetings.
- **Targeted Assessment Policy:** During the 9/3/2026 meeting, the Board approved a stand-alone policy be created. This policy would create the methods and mechanisms needed to assess individual groups (as a requirement for continued participation) based upon their utilization and experience, and the ongoing risk they pose to the entire plan. Creation of this policy, with the assistance of the actuary is already underway. Policy language is expected to be ready for review and potential approval during the 11/19/2026, and 12/17/2026 board meetings.
- **Termination of a Participating Entity Policy:** During the 9/3/2026 meeting, the Board approved a stand-alone policy be created. This policy would create the methods and mechanisms needed for a group's involuntary termination of coverage. This policy is mainly expected to be used to protect the Plan, due to the significant and ongoing risk a group poses to the entire plan, however, it will also define other scenarios, such as non-payment of premium, or the provision of fraudulent data during the underwriting of potential entities process. Creation of this policy, with the assistance of the actuary is already underway. Policy language is expected to be ready for review and potential approval during the 11/19/2026, and 12/17/2026 board meetings.
- **Group Share Allocation Calculation Policy:** While language already exists in the Inter-Local Government Agreement, it is suggested that the current language be removed, and a reference to a stand-alone policy be included, and that the board approve the creation of a stand-alone policy to include two methods, one with a utilization/experience weighting, and one strictly premium share (the sole method as currently defined and in-force). Two methods are needed to support all policies. Policy language is expected to be ready for review and potential approval during the 11/19/2026, and 12/17/2026 board meetings.
- **Plan-Wide Assessment Policy:** While language already exists in the Inter-Local Government Agreement, it is suggested that the current language be removed, and a reference to a stand-alone policy be included, and that the board approve the creation of a stand-alone policy to include two options utilizing both group share allocation calculation methodologies. Policy language is expected to be ready for review and potential approval during the 11/19/2026, and 12/17/2026 board meetings.

PROPOSED: Group Share Allocation Calculation Methodology

Method 1 (Current Premium Share Method):

A group's share allocation is calculated as the percentage of the total premium the OPEH&W health plan has received from a participating entity during the previous two full plan years and the current plan year to date.

Example:

- During qualifying plan year 1, Group A paid \$100,000 in premium.
- During qualifying plan year 2, Group A paid \$100,000 in premium.
- During the current plan year to date, Group A has paid \$60,000 in premium.
- During the combined qualifying date range, Group A has paid \$260,000 in premium.
- During the same qualifying date range, the Health Plan received \$45,585,224 in premium.
- Group A's \$260,000 premium paid divided by the Health Plan's \$45,585,224 equals 0.0057 or 0.5704%.

Method 2 (Proposed Experience Weighted Method):

30% of a group's share allocation is weighted based upon share of premium paid. It is calculated as the percentage of the total premium the OPEH&W health plan has received from a participating entity during the previous two full plan years and the current plan year to date (as of the date generated).

70% of a group's share allocation is weighted based upon their group's medical, Rx, and dental claims paid experience, compared to the plan, during the past two full plan years, and the current plan year to date (as of the date generated). For the purposes of this calculation methodology, all groups of 50 or fewer full-time employees, will be combined and treated a single group.

30% Premium Example:

- During qualifying plan year 1, Group A paid \$100,000 in premium.
- During qualifying plan year 2, Group A paid \$100,000 in premium.
- During the current plan year to date, Group A has paid \$60,000 in premium.
- During the combined qualifying date range, Group A has paid \$260,000 in premium.
- During the same qualifying date range, the Health Plan received \$45,585,224 in premium.
- Group A's \$260,000 premium paid divided by the Health Plan's \$45,585,224 equals 0.0057 or 0.5704%.

70% Experience Example (for groups of 50 or more full-time employees):

- During qualifying plan year 1, Group A had a combined \$75,000 in medical, Rx, and dental claims.
- During qualifying plan year 2, Group A had a combined \$75,000 in medical, Rx, and dental claims.
- During the current plan year to date, Group A had a combined \$80,000 in medical, Rx, and dental claims.
- During the combined qualifying date range, Group A had a combined \$230,000 in medical, Rx, and dental claims.
- During the same qualifying date range, the Health Plan has \$55,000,000 in medical, Rx, and dental claims.
- Group A's \$230,000 in claims divided by the Health Plan's \$55,000,000 equals 0.0041 or 0.4181%.

70% Experience Example (for groups of 50 or more full-time employees):

- During qualifying plan year 1, All Sub-50 Groups had a combined \$650,000 in medical, Rx, and dental claims.
- During qualifying plan year 2, All Sub-50 Groups had a combined \$650,000 in medical, Rx, and dental claims.
- During the current plan year to date, All Sub-50 Groups had a combined \$200,000 in medical, Rx, and dental claims.
- During the combined qualifying date range, All Sub-50 Groups had a combined \$1,500,000 in medical, Rx, and dental claims.
- During the same qualifying date range, the Health Plan has \$55,000,000 in medical, Rx, and dental claims.
- All Sub-50 Groups \$1,500,000 in claims divided by the Health Plan's \$55,000,000 equals 0.0272 or 2.7272%.
- There were 42 groups with 50 or less full-time employees.
- Therefore, group A's share would be 2.7272% divided 42 which equals 0.0649%.

Amendments to the Inter-Local Government Agreement

Add the following to the Inter-Local Government Agreement:

- **Policies:** Creation of a new main section of the Inter-Local Government Agreement.
- **Policy Governance:** The methods and mechanisms utilized for policy management, including new policy creation, annual trustee review, how amendments and/or edits are proposed, ratified, and timed for all policies.
- **Current Policies:**
 - **Rates Setting Policy:** The methods and mechanisms utilized for the setting or adjustment of premium rates for self-funded coverage components is governed by the stand-alone Rate Setting Policy.
 - **Group Share Allocation Calculation Policy:** The methods and mechanisms utilized for determining a current or past participating entity's share allocation is governed by the stand-alone Group Share Allocation Calculation Policy.
 - **Plan-Wide Assessment Policy:** The methods and mechanisms utilized for determining the need for and execution of a plan-wide assessment is governed by the stand-alone Plan-Wide Assessment Policy.
 - **Targeted Assessment Policy:** The methods and mechanisms for determining the need for and execution of a participating entity targeted assessment is governed by the stand-alone Targeted Assessment Policy.
 - **Investment Policy:** The methods and mechanisms utilized for determining investment strategy is governed by the stand-alone Investment Policy.
 - **Termination of a Participating Entity Policy:** The methods and mechanisms utilized for determining the termination of a participating entity is governed by the stand-alone Termination of a Participating Entity Policy.
 - **Underwriting and Onboarding of Potential Entities Policy:** The methods and mechanisms utilized for determining the viability, suitability, and enrollment of a potential entity is governed by the stand-alone Underwriting and Onboarding of Potential Entities Policy.