



## Understanding Your Renewal Report

Enclosed is your 2009 - 2010 Renewal Report. The MESSA Renewal Summary Report combines the MESSA Cost Summary Report and Benefit Program Statement into one new and condensed report. In addition to consolidating these reports, we have added a comparison of your current billing rates to your new billing rates.

Please note, your PAK renewal rates include both the increase/decrease in the base rates plus rate changes (census shift) due to any changes in the coverage status (single/family) of your covered members. Effective July 1, 2009, groups with 100 or more members for rating purposes will be, in part or in whole, experience rated due to the impact of P.A. 106.

Below is a sample of a PAK renewal. The Non-PAK renewal sample is on the back of this page. If you have any questions regarding your renewal, please contact Field Services at 800.292.4910.

### Sample of **PAK** Renewal

**MESSA** 2009 Rate Renewal Exclusively for ABC Schools  
 Renewal Effective 07/01/2009

PAK A - 2009 Teachers	2009 09 Rates	Enrolled	2009 10 Rates
Medical	\$1,200.00	Stage 1 2 Person 9 Family 5	\$1,200.00
Dental	\$1,200.00	Stage 1 2 Person 9 Family 5	\$1,200.00
Health	\$1,200.00	Stage 1 2 Person 9 Family 5	\$1,200.00
Life Insurance	\$1,200.00	21	\$1,200.00
Voluntary	\$1,200.00	21	\$1,200.00
Disability	\$1,200.00	21	\$1,200.00
Short Term	\$1,200.00	21	\$1,200.00
Long Term	\$1,200.00	21	\$1,200.00
COBRA	\$1,200.00	21	\$1,200.00
2009 - 2010 rate per member	\$1,200.00		\$1,200.00

**COBRA Rates**

Plan	Medical	Dental	Health	Life	Voluntary	Disability	Short Term	Long Term
Stage 1	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00
2 Person 9	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00
Family 5	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00

Please note: The above rates are based on plans as of 07/01/2009. Rates will be guaranteed for 12 months for those who meet the conditions of the MESSA Renewal Report and Policy Statement. Changes in the composition of the group will be based on member, individual group, eligible requirements in the Renewal Report Statement.

Sample of **Non-PAK** Renewal

Census used in the renewal calculation

Benefit coverage detail

Rate per member by coverage tier (single, 2-person or family)

Vision rate will continue to be composite rated; however, rates will be shown for each coverage tier

COBRA rates

Please note

MESSA		2009 Rate Renewal Exclusively for ABC Schools		Quote #: 20094
1475 Kendall Boulevard, PO Box 2088 East Lansing, MI 48820-2940 800.252.6915		Renewal Effective 07/01/2009		MESSA Field Rep: Mark Tullis
NONPAK - 6000 Transportation, Maintenance		2008-09 Rates	Credited	2009-10 Rates
Medical	MESSA Choice II	\$576.15	Single: 33	\$595.35
COVUCER Capay	\$551042E	\$1,290.96	2-Person: 10	\$1,337.66
RX Drug Capay	\$05.10	\$1,443.12	Family: 18	\$1,488.11
Denial/Re: None	In-Net, Out \$2500000			
Return Included:	None			
Vision	VGP 2	\$12.11	Single: 22	\$12.29
		\$13.11	2-Person: 24	\$12.29
		\$13.11	Family: 22	\$12.29
Life Insurance:	\$0.000	\$0.19	00	\$0.19
Rate's 1000				\$340,000.00
Volume				
AD&D Coverage:	\$0.000	\$0.03	08	\$0.03
Rate's 1000				\$340,000.00
Volume				
<b>NONPAK COBRA RATES:</b>				
Medical	Single			\$601.86
	2-Person			\$1,236.16
	Family			\$1,484.61
Vision	Single			\$12.29
	2-Person			\$12.29
	Family			\$12.29

The above rates are based on plans and enrollment as of 04/03/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements, or plan type require re-calculation of rates.

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**2009 Rate Renewal Exclusively for  
Nice Community Schools**

Quote #: 300670 **REVISED**  
MESSA Field Rep: Barbara Frisk  
Date Created: 08/14/2009

1475 Kendale Boulevard, PO Box 2560  
East Lansing, MI 48826-2560  
800.292.4910

Renewal Effective 07/01/2009

PAK A - 749A Adminstraton		2008-09 Rates	Enrolled	2009-10 Rates
Medical:	MESSA Choices II		Single: 0	
OV/UC/ER Copay:	\$5/\$10/\$25		2-Person: 4	
RX Drug Copay:	\$10/\$20		Family: 4	
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	None			
Composite:		\$1,285.53		\$1,311.98
Dental:			Single: 0	
Class I:	100%		2-Person: 4	
Class II:	80%		Family: 4	
Class III:	80%			
Annual Max:	\$1,000			
Class IV:	80%			
Lifetime Max:	\$1,500			
Riders:	2 Cleanings			
Composite:		\$89.06		\$95.94
Vision:	VSP 3 Plus		Single: 0	
			2-Person: 4	
			Family: 4	
Composite:		\$30.48		\$30.48
Life Insurance:	\$50,000		8	
Rate/\$1000				\$0.16
Volume				\$400,000.00
Composite:		\$9.00		\$8.00
AD&D Coverage:	\$50,000		8	
Rate/\$1000				\$0.03
Volume				\$400,000.00
Composite:		\$1.50		\$1.50
LTD Benefit	70% Max \$5,000		8	
Max Monthly Salary:	\$7,143			
Waiting Period:	60 CDSW			
Alcohol/Drug:	Same as any other illness			
Mental/Nervous:	Same as any other illness			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$1.04
Covered Salary				\$45,328.00
Composite:		\$64.67		\$58.93
<b>Total Composite Rate per Member</b>		<b>\$1,480.24</b>		<b>\$1,506.83</b>

**PAK A COBRA RATES:**

Medical	Single	\$551.78
	2-Person	\$1,241.50
	Family	\$1,379.46
Dental	Single	\$95.94
	2-Person	\$95.94
	Family	\$95.94
Vision	Single	\$30.48
	2-Person	\$30.48
	Family	\$30.48

The above rates are based on plans and enrollment as of 04/22/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



**2009 Rate Renewal Exclusively for  
Nice Community Schools  
Renewal Effective 07/01/2009**

Quote #: 300670 **REVISED**  
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Date Created: 08/14/2009

1475 Kendale Boulevard, PO Box 2560  
East Lansing, MI 48826-2560  
800.292.4910

PAK B - 749A Adminstraton		2008-09 Rates	Enrolled	2009-10 Rates
Dental:			Single: 0	
Class I:	100%		2-Person: 1	
Class II:	80%		Family: 0	
Class III:	80%			
Annual Max:	\$1,000			
Class IV:	80%			
Lifetime Max:	\$1,500			
Riders:	2 Cleanings			
Composite:		\$89.06		\$95.94
Vision:	VSP 3 Plus		Single: 0	
			2-Person: 1	
			Family: 0	
Composite:		\$30.48		\$30.48
Life Insurance:	\$50,000		1	
Rate/\$1000				\$0.16
Volume				\$50,000.00
Composite:		\$9.00		\$8.00
AD&D Coverage:	\$50,000		1	
Rate/\$1000				\$0.03
Volume				\$50,000.00
Composite:		\$1.50		\$1.50
LTD Benefit	70% Max \$5,000		1	
Max Monthly Salary:	\$7,143			
Waiting Period:	60 CDSW			
Alcohol/Drug:	Same as any other illness			
Mental/Nervous:	Same as any other illness			
Soc. Sec. Offset:	Family			
Pre-Exist Cond.:	Waived			
COLA:	No			
Rate/\$100				\$1.04
Covered Salary				\$3,215.00
Composite:		\$38.05		\$33.44
<b>Total Composite Rate per Member</b>		<b>\$168.09</b>		<b>\$169.36</b>

PAK B COBRA RATES:

Dental	Single	\$95.94
	2-Person	\$95.94
	Family	\$95.94
Vision	Single	\$30.48
	2-Person	\$30.48
	Family	\$30.48

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 Date Created: 08/14/2009

1475 Kendale Boulevard, PO Box 2560  
 East Lansing, MI 48826-2560  
 800.292.4910

Renewal Effective 07/01/2009

PAK A - 749B SupportStf 40-99Standard Hrs		2008-09 Rates	Enrolled	2009-10 Rates
Medical:	MESSA Choices II		Single: 5	
OV/UC/ER Copay:	\$5/\$10/\$25		2-Person: 3	
RX Drug Copay:	\$5/\$10		Family: 7	
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	None			
Composite:		\$1,118.29		\$1,195.34
Dental:			Single: 5	
Class I:	100%		2-Person: 3	
Class II:	70%		Family: 7	
Class III:	70%			
Annual Max:	\$1,000			
Class IV:	0%			
Lifetime Max:	\$ 0			
Riders:	2 Cleanings			
Composite:		\$58.97		\$62.34
Vision:	VSP 3		Single: 5	
			2-Person: 3	
			Family: 7	
Composite:		\$16.01		\$16.34
Life Insurance:	\$15,000		15	
Rate/\$1000				\$0.16
Volume				\$225,000.00
Composite:		\$2.70		\$2.40
AD&D Coverage:	\$15,000		15	
Rate/\$1000				\$0.03
Volume				\$225,000.00
Composite:		\$0.45		\$0.45
<b>Total Composite Rate per Member</b>		<b>\$1,196.42</b>		<b>\$1,276.87</b>

PAK A COBRA RATES:

Medical	Single	\$612.23
	2-Person	\$1,377.51
	Family	\$1,530.56
Dental	Single	\$62.34
	2-Person	\$62.34
	Family	\$62.34
Vision	Single	\$16.34
	2-Person	\$16.34
	Family	\$16.34

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 800.292.4910

Renewal Effective 07/01/2009

PAK B - 749B SupportStf 40-99Standard Hrs	2008-09 Rates	Enrolled	2009-10 Rates
Dental:		Single: 0	
Class I:	100%	2-Person: 0	
Class II:	70%	Family: 1	
Class III:	70%		
Annual Max:	\$1,000		
Class IV:	0%		
Lifetime Max:	\$ 0		
Riders:	2 Cleanings		
Composite:	\$71.99		\$79.30
Vision:	VSP 3	Single: 0	
		2-Person: 0	
		Family: 1	
Composite:	\$20.93		\$20.93
Life Insurance:	\$15,000	1	
Rate/\$1000			\$0.16
Volume			\$15,000.00
Composite:	\$2.70		\$2.40
AD&D Coverage:	\$15,000	1	
Rate/\$1000			\$0.03
Volume			\$15,000.00
Composite:	\$0.45		\$0.45
<b>Total Composite Rate per Member</b>	<b>\$96.07</b>		<b>\$103.08</b>

PAK B COBRA RATES:

Dental	Single	\$79.30
	2-Person	\$79.30
	Family	\$79.30
Vision	Single	\$20.93
	2-Person	\$20.93
	Family	\$20.93

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Renewal Effective 07/01/2009

PAK A - 749C Full Time Teachers		2008-09 Rates	Enrolled	2009-10 Rates
Medical:	MESSA Choices II		Single: 7	
OV/UC/ER Copay:	\$5/\$10/\$25		2-Person: 10	
RX Drug Copay:	\$5/\$10		Family: 42	
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	None			
Composite:		\$1,361.18		\$1,397.17
Dental:			Single: 7	
Class I:	100%		2-Person: 10	
Class II:	80%		Family: 42	
Class III:	80%			
Annual Max:	\$1,000			
Class IV:	80%			
Lifetime Max:	\$1,300			
Riders:	2 Cleanings			
Composite:		\$83.15		\$87.75
Vision:	VSP 3		Single: 7	
			2-Person: 10	
			Family: 42	
Composite:		\$19.76		\$19.30
Life Insurance:	\$30,000		59	
Rate/\$1000				\$0.16
Volume				\$1,770,000.00
Composite:		\$5.40		\$4.80
AD&D Coverage:	\$30,000		59	
Rate/\$1000				\$0.03
Volume				\$1,770,000.00
Composite:		\$0.90		\$0.90
<b>Total Composite Rate per Member</b>		<b>\$1,470.39</b>		<b>\$1,509.92</b>

PAK A COBRA RATES:

Medical	Single	\$612.23
	2-Person	\$1,377.51
	Family	\$1,530.56
Dental	Single	\$87.75
	2-Person	\$87.75
	Family	\$87.75
Vision	Single	\$19.30
	2-Person	\$19.30
	Family	\$19.30

The above rates are based on plans and enrollment as of 04/22/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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1475 Kendale Boulevard, PO Box 2560  
East Lansing, MI 48826-2560  
800.292.4910

PAK B - 749C Full Time Teachers		2008-09 Rates	Enrolled	2009-10 Rates
Dental:			Single: 0	
Class I:	100%		2-Person: 0	
Class II:	80%		Family: 13	
Class III:	80%			
Annual Max:	\$1,000			
Class IV:	80%			
Lifetime Max:	\$1,300			
Riders:	2 Cleanings			
Composite:		\$88.31		\$95.20
Vision:	VSP 3		Single: 0	
			2-Person: 0	
			Family: 13	
Composite:		\$20.93		\$20.93
Life Insurance:	\$40,000		13	
Rate/\$1000				\$0.16
Volume				\$520,000.00
Composite:		\$7.20		\$6.40
AD&D Coverage:	\$40,000		13	
Rate/\$1000				\$0.03
Volume				\$520,000.00
Composite:		\$1.20		\$1.20
<b>Total Composite Rate per Member</b>		<b>\$117.64</b>		<b>\$123.73</b>

PAK B COBRA RATES:

Dental	Single	\$95.20
	2-Person	\$95.20
	Family	\$95.20
Vision	Single	\$20.93
	2-Person	\$20.93
	Family	\$20.93

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Nice Community Schools  
Renewal Effective 07/01/2009**

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1475 Kendale Boulevard, PO Box 2560  
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<b>NON-PAK - 749D Support Staff Wkg 20-29hrs</b>		<b>2008-09 Rates</b>	<b>Enrolled</b>	<b>2009-10 Rates</b>
Medical:	MESSA Choices II	\$597.92	Single: 1	\$626.22
OV/UC/ER Copay:	\$5/\$10/\$25	\$1,343.44	2-Person: 0	\$1,407.13
RX Drug Copay:	\$5/\$10	\$1,492.54	Family: 0	\$1,563.31
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	None			
Life Insurance:	\$5,000	\$0.18	22	
Rate/\$1000				\$0.16
Volume				\$110,000.00
AD&D Coverage:	\$5,000	\$0.03	22	
Rate/\$1000				\$0.03
Volume				\$110,000.00
<b>NON-PAK COBRA RATES:</b>				
	Medical		Single	\$624.72
			2-Person	\$1,405.63
			Family	\$1,561.81

The above rates are based on plans and enrollment as of 04/22/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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<b>NON-PAK - 749E Spprt Stf Grndfthr Wkg20-29Hrs</b>		<b>2008-09 Rates</b>	<b>Enrolled</b>	<b>2009-10 Rates</b>
Medical:	MESSA Choices II	\$597.92	Single: 0	\$626.22
OV/UC/ER Copay:	\$5/\$10/\$25	\$1,343.44	2-Person: 1	\$1,407.13
RX Drug Copay:	\$5/\$10	\$1,492.54	Family: 0	\$1,563.31
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	None			
<hr/>				
Vision:	VSP 3	\$19.78	Single: 0	\$20.93
		\$19.78	2-Person: 2	\$20.93
		\$19.78	Family: 0	\$20.93
<hr/>				
Life Insurance:	\$5,000	\$0.18	2	
Rate/\$1000				\$0.16
Volume				\$10,000.00
AD&D Coverage:	\$5,000	\$0.03	2	
Rate/\$1000				\$0.03
Volume				\$10,000.00
<hr/>				
NON-PAK COBRA RATES:				
	Medical		Single	\$624.72
			2-Person	\$1,405.63
			Family	\$1,561.81
	Vision		Single	\$20.93
			2-Person	\$20.93
			Family	\$20.93

The above rates are based on plans and enrollment as of 04/22/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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<b>NON-PAK - 749F Support Stf Wkg 30 To 39.99</b>		<b>2008-09 Rates</b>	<b>Enrolled</b>	<b>2009-10 Rates</b>
Medical:	MESSA Choices II	\$597.92	Single: 1	\$626.22
OV/UC/ER Copay:	\$5/\$10/\$25	\$1,343.44	2-Person: 2	\$1,407.13
RX Drug Copay:	\$5/\$10	\$1,492.54	Family: 0	\$1,563.31
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	None			
<hr/>				
Vision:	VSP 3	\$19.78	Single: 1	\$17.48
		\$19.78	2-Person: 3	\$17.48
		\$19.78	Family: 0	\$17.48
<hr/>				
Life Insurance:	\$15,000	\$0.18	5	
Rate/\$1000				\$0.16
Volume				\$75,000.00
<hr/>				
AD&D Coverage:	\$15,000	\$0.03	5	
Rate/\$1000				\$0.03
Volume				\$75,000.00
<hr/>				
NON-PAK COBRA RATES:				
	Medical		Single	\$624.72
			2-Person	\$1,405.63
			Family	\$1,561.81
	Vision		Single	\$17.48
			2-Person	\$17.48
			Family	\$17.48

The above rates are based on plans and enrollment as of 04/22/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.



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1475 Kendale Boulevard, PO Box 2560  
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 800.292.4910

<b>Bundle 1 - 749G PartTime Teachers</b>		<b>2008-09 Rates</b>	<b>Enrolled</b>	<b>2009-10 Rates</b>
Medical:	MESSA Choices II	\$597.92	Single: 1	\$626.22
OV/UC/ER Copay:	\$5/\$10/\$25	\$1,343.44	2-Person: 0	\$1,407.13
RX Drug Copay:	\$5/\$10	\$1,492.54	Family: 0	\$1,563.31
Deductible:	In-\$0, Out-\$250/\$500			
Riders Included:	None			
<hr/>				
NON-PAK 1 COBRA RATES:				
	Medical		Single	\$624.72
			2-Person	\$1,405.63
			Family	\$1,561.81

The above rates are based on plans and enrollment as of 04/22/2009. Rates will be guaranteed for 12 months for plans which remain in compliance with MESSA Underwriting and Rating guidelines. Material changes in the composition of the group such as number of enrollees, definable group, eligibility requirements or plan may require re-calculation of rates.

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Quote #: 300670 **REVISED**  
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Date Created: 08/14/2009

<b>Bundle 2 - 749G PartTime Teachers</b>		<b>2008-09 Rates</b>	<b>Enrolled</b>	<b>2009-10 Rates</b>
Vision:	VSP 3	\$19.78	Single: 1	\$18.63
		\$19.78	2-Person: 2	\$18.63
		\$19.78	Family: 3	\$18.63
<b>NON-PAK 2 COBRA RATES:</b>				
		Vision	Single	\$18.63
			2-Person	\$18.63
			Family	\$18.63

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**Medical Review Report for  
STATEWIDE POOLED GROUPS  
Comparison to MESSA Average**

**Claims Incurred December 1, 2007 – November 30, 2008**

**Paid through January 31, 2009**

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## Introduction

This report is intended to provide an analysis of the cost and utilization of health care services to help explain the 2009 medical rates for Statewide Pooled Groups.

**IMPORTANT: The analysis is based only on individuals enrolled in MESSA's medical plan between December 1, 2007 and November 30, 2008 in the Statewide Pool.**

The report contains claims **incurred** from December 1, 2007 – November 30, 2008 and **paid** through January 31, 2009. This report does not identify claims on an individual level and maintains MESSA's commitment to member privacy.

We hope you find this report useful, but please keep in mind - rates are calculated based on a number of factors, and not all factors are weighted equally. The data from this report alone cannot be used to determine rates.

This report will provide greater value in future years as MESSA accumulates data in order to better analyze the Statewide Pooled Groups' claims experience over time.



## Demographics – Statewide Pooled Groups

Number of Employees: 16,469

*Please Note: This number is based on the average number of employees enrolled in MESSA's medical plan between 12/1/2007 – 11/30/2008. This may not match the number of employees reported in the census for renewal calculations.*

Number of Covered Lives: 48,386

Ratio of Covered Lives to Employees:

Statewide Pooled Groups: 2.9

Total MESSA: 2.8

Percent Male (of all Covered Lives):

Statewide Pooled Groups: 48.9%

Total MESSA: 48.3%

Percent Female (of all Covered Lives):

Statewide Pooled Groups: 51.1%

Total MESSA: 51.7%

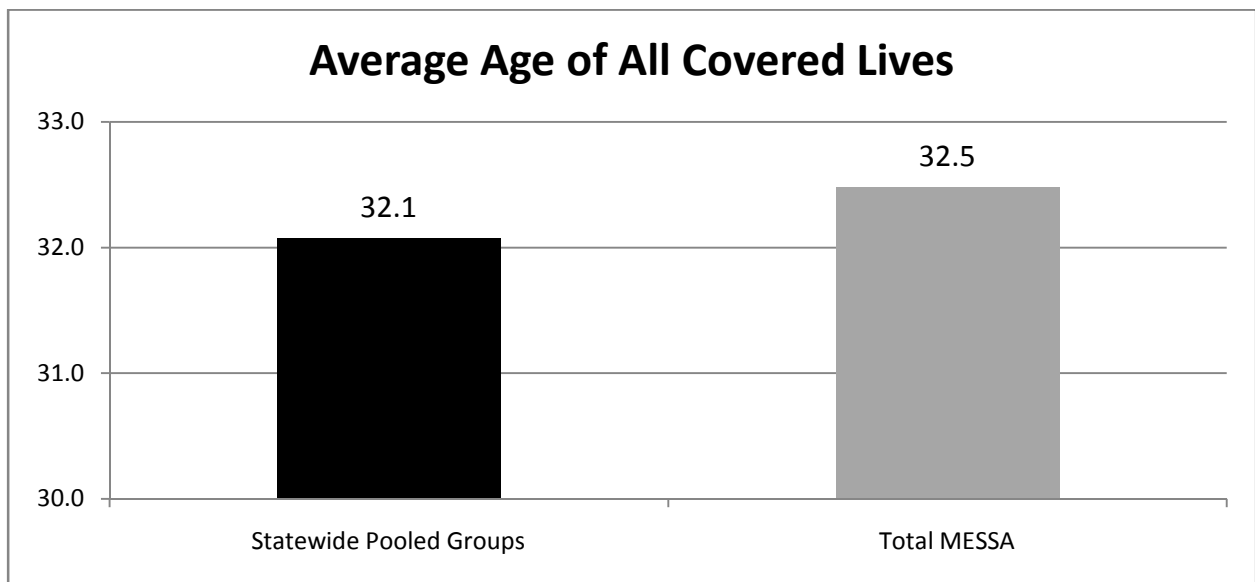
Average Age

	<u>Statewide Pooled Groups</u>	<u>Total MESSA</u>
Employees:	44.9	45.2
Spouses:	46.1	46.0
Children:	12.7	12.7

### Average Age – Statewide Pooled Groups

The average age of all covered lives is depicted here. Claims costs increase as age increases, generally because of increases in utilization and an increased severity of conditions. For example, older patients require more screenings to detect conditions such as cancer; and they tend to have more chronic conditions.

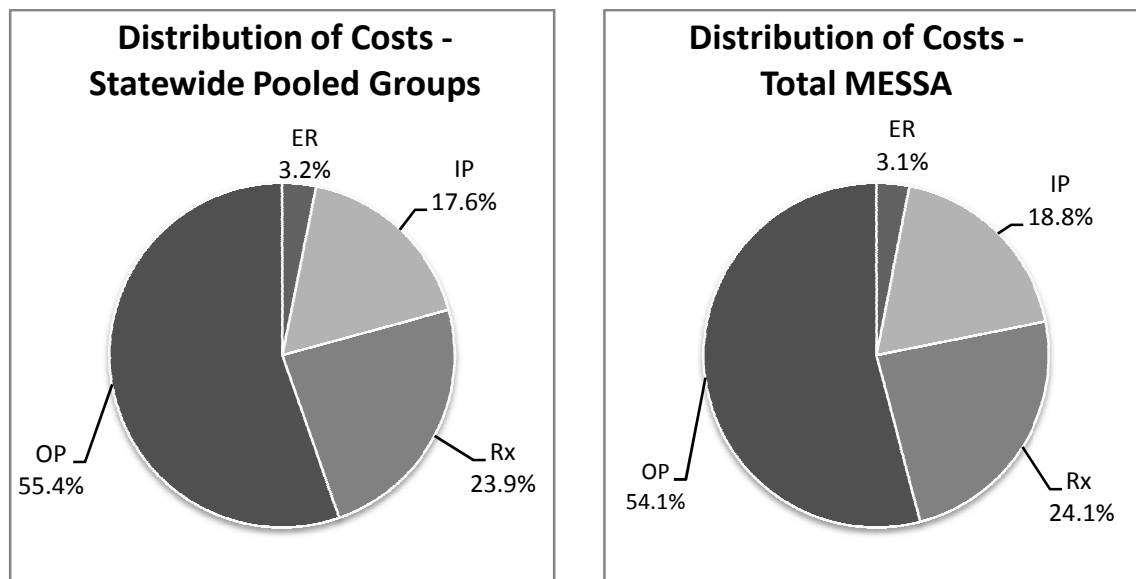
The percent change in health care costs by year of age is approximately 1.5%.



Statewide Pooled Groups have an average age similar to the Total MESSA Population.

## Distribution of Costs – Statewide Pooled Groups

While total costs are important in determining rates, so is the distribution of costs. Determining where and how spending occurs gives some indication as to the severity of conditions in the population, thereby, helping predict future costs. For example, a high rate of inpatient hospitalizations or a high rate of Emergency Room visits indicates that the population in a given group has a higher level of severity. A high use of outpatient visits or prescription drugs does not necessarily indicate higher severity. In fact, when these services are used properly, these may be an indication of a well managed population. When outpatient visits or prescriptions are over-utilized, however, this leads to higher costs, and therefore adversely affects rates.

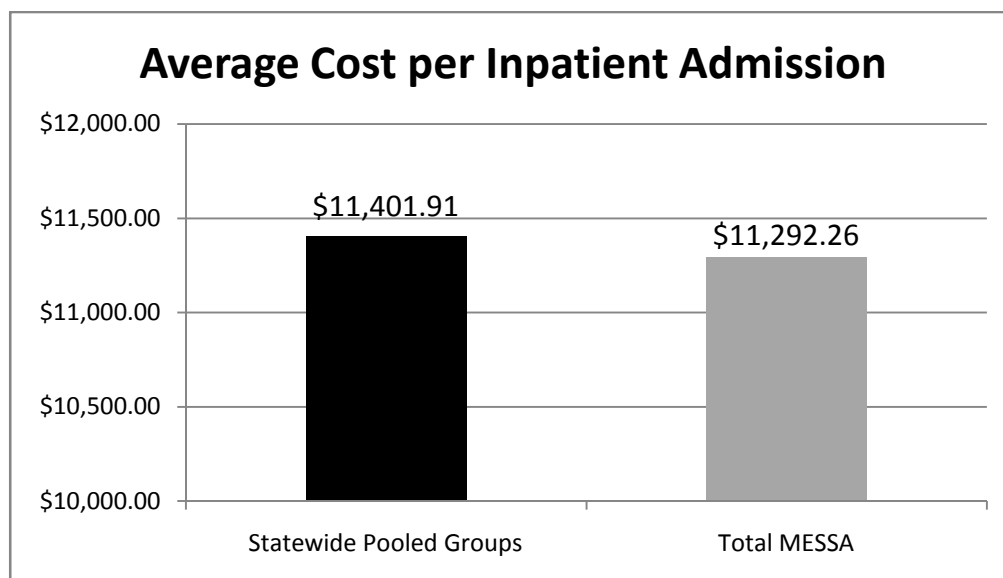
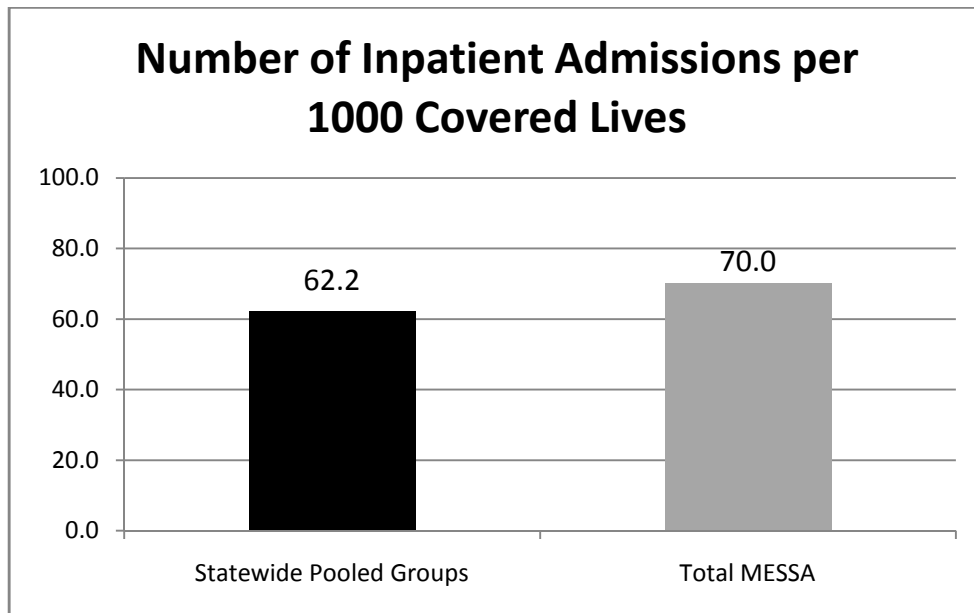


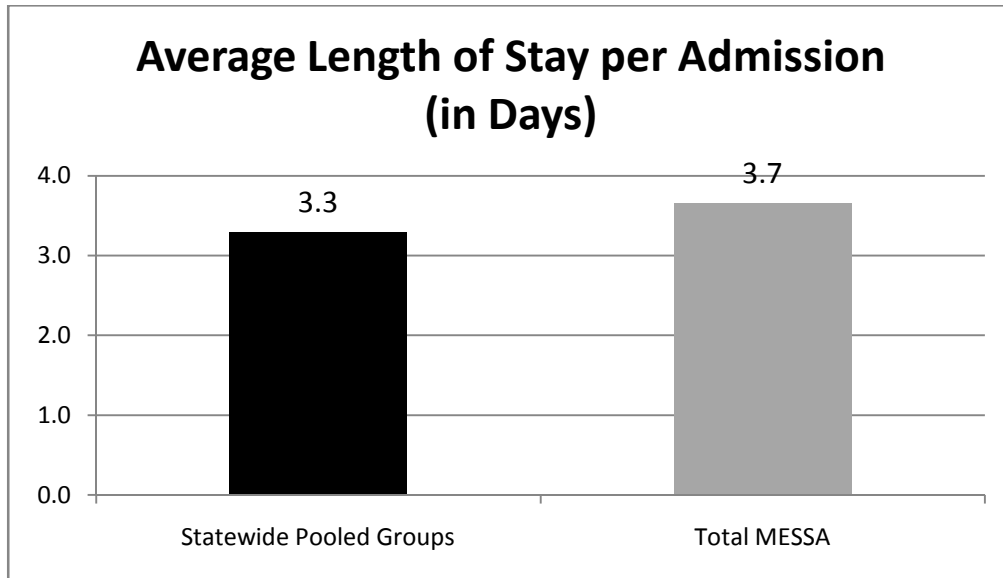
Emergency Room = ER, Inpatient = IP, Outpatient = OP, Prescriptions = Rx

Statewide Pooled Groups have higher spending on Outpatient Services than Total MESSA. While spending on Emergency Room visits is higher and spending on Prescription Drugs is lower for Statewide Pooled Groups, this difference is not significant. Spending on Inpatient Admissions is less for Statewide Pooled Groups than for Total MESSA.

## Inpatient Admissions – Statewide Pooled Groups

As described earlier, increased inpatient admissions lead to higher rates. Inpatient admissions cost more, on average, than outpatient services and indicate a higher severity of condition in the population. The following graphs depict the utilization of Inpatient hospital services through: the number of covered lives that have admissions, the average cost per admission, and the average length of stay (in days) per admission.



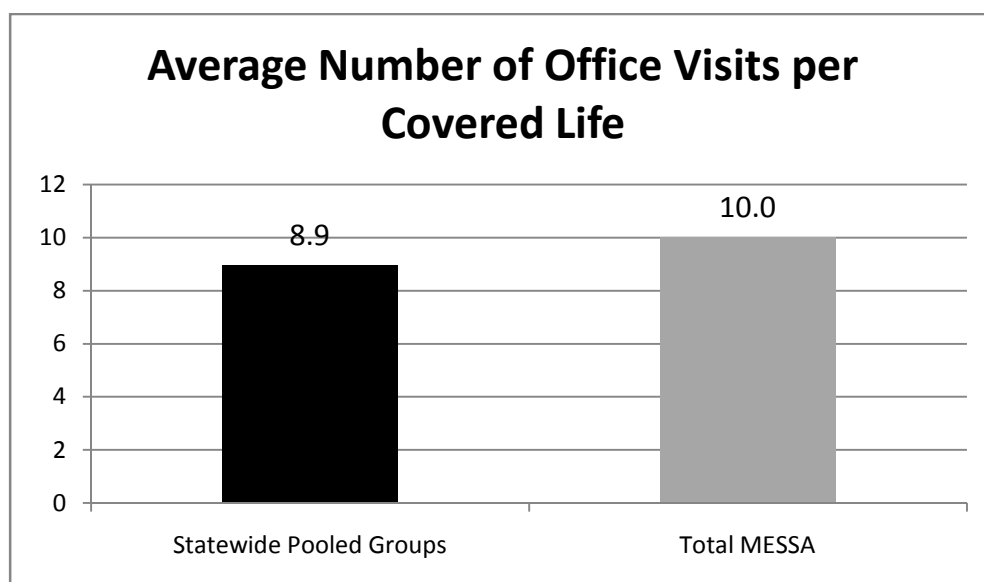


Statewide Pooled Groups have lower admissions per 1000 covered lives than Total MESSA. The average cost per admission in Statewide Pooled Groups is nearly \$110 higher than for Total MESSA. A higher average cost indicates that those patients being admitted from Statewide Pooled Groups have increased severity of illness than Total MESSA. The average length of stay per admission is shorter than the average for Total MESSA.

Overall, the use of Inpatient hospital services is lower in Statewide Pooled Groups than in Total MESSA while the cost per admission is slightly higher.

### Office Visits – Statewide Pooled Groups

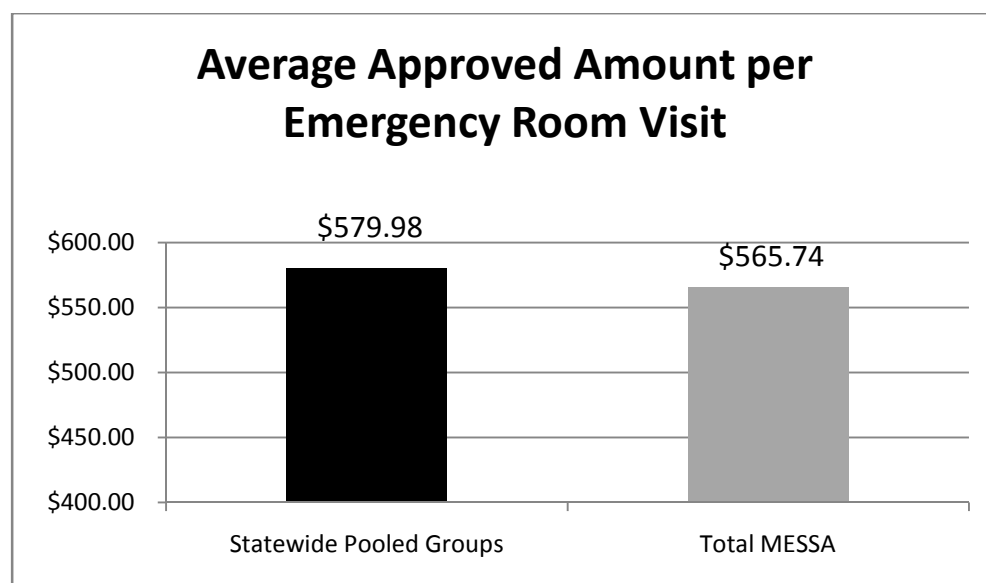
The effect of office visits on premium rates is not clear-cut. While an increase in office visits in the short-term can lead to increased rates, in the long term these services can actually lead to reduced rates, when utilized appropriately. This is especially true when a high use of office services leads to better management of chronic conditions or to an increased use of preventive care. Better management and the use of preventive services both lead to reduced severity of illness and, thereby, reduced rates.



Statewide Pooled Groups have a lower average number of office visits per covered life than Total MESSA.

### Emergency Room – Statewide Pooled Groups

The extent of emergency room use provides an indication as to how members are utilizing the health care system. Since care in the emergency room costs more, a high use of emergency room visits may increase rates. The cost per emergency room visit is important because it reveals, to some extent, the severity of each case. Higher average costs show that the average patient in this group generally has worse health status. In fact this may be an indication that patients are avoiding treatment of health conditions, until they are forced to use emergency room services.

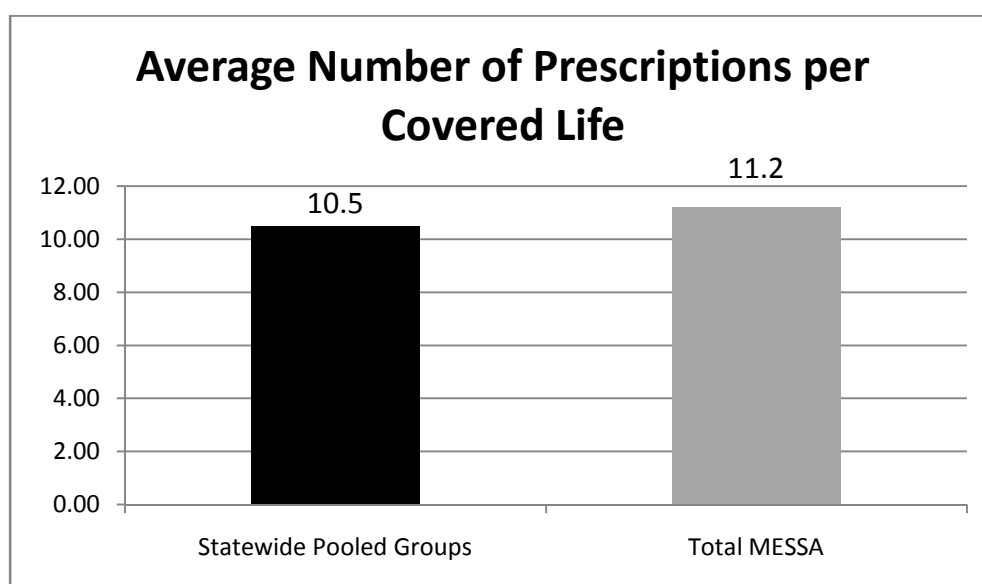


Statewide Pooled Groups have an average cost of emergency room services that is about \$14 higher than the Total MESSA average.

## Prescription Drugs – Statewide Pooled Groups

As with Office Visits, the use of Prescription Drugs does not have a clear cut impact on rates. Inappropriate use and over-utilization does lead to higher rates. However, when used properly, prescription drugs can also reduce the cost of health care by preventing the need for more invasive treatments.

Rates are adversely affected when the cost per prescription is higher than average, such as the case with Brand Names. The following graph depicts the average number of prescriptions per covered life in this group.

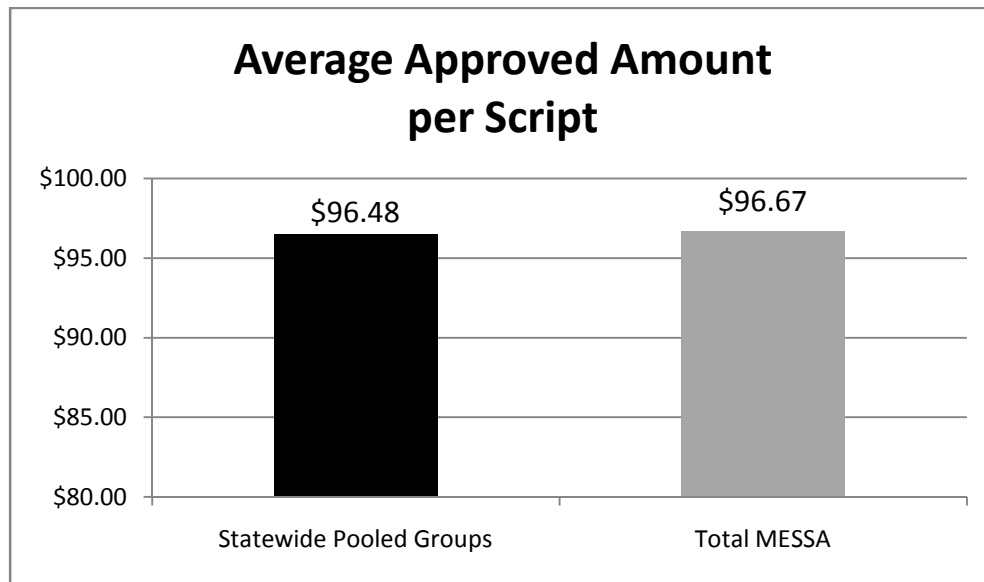


Statewide Pooled Groups have a slightly lower number of average prescriptions per covered life than Total MESSA.



### Average Cost per Prescription – Statewide Pooled Groups

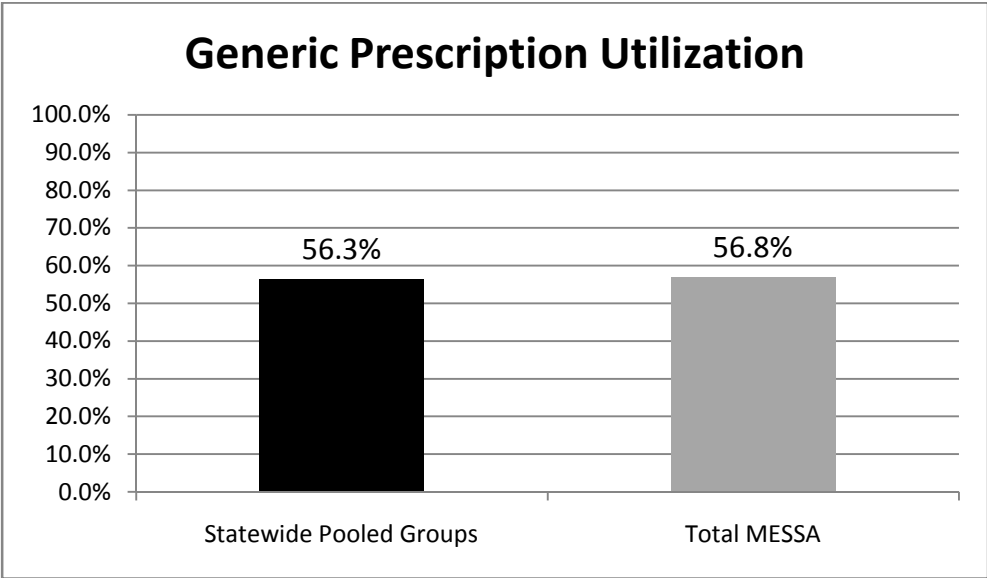
As the average cost per prescription increases, so do rates. The following graph depicts the average approved amount per prescription.



The average cost per prescription for Statewide Pooled Groups is similar to Total MESSA.

Generic Utilization – Statewide Pooled Groups

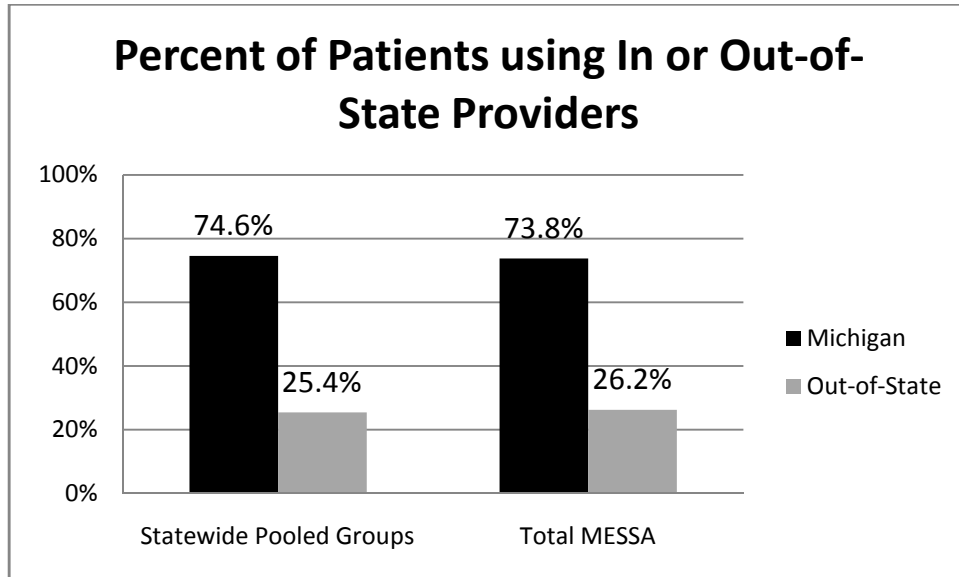
A higher utilization of generic drugs indicates an efficient use of dollars spent on prescriptions - since generics cost less and are equally effective to their brand name counterparts. The following graph shows the utilization rate of generics for Statewide Pooled Groups compared to Total MESSA.



Statewide Pooled Groups have a similar use of generic drugs to the Total MESSA population.

### Providers: In or Out-of-State – Statewide Pooled Groups

Certain providers cost more than others when delivering care. MESSA is able to achieve substantial discounts with in-state providers. Therefore, the use of out-of-state providers tends to increase costs.

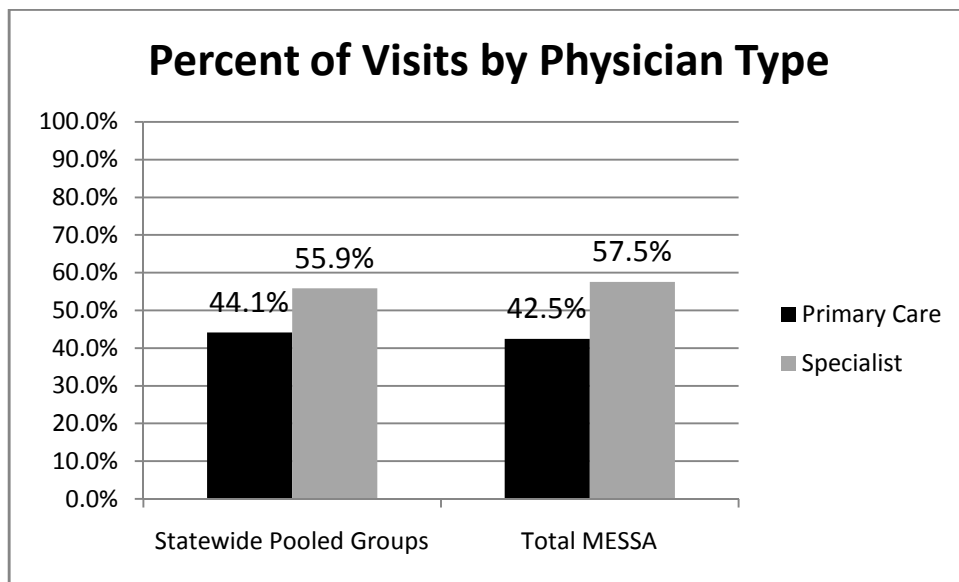


Statewide Pooled Groups have a higher than average utilization of in-state providers.

### Providers: Primary Care vs. Specialist – Statewide Pooled Groups

Visits are likely to be higher with specialist physicians because there is typically a greater supply of these types of providers in the health care market.

Specialist physicians generally have higher charges than primary care physicians. A high use of specialists increases overall costs and also indicates increased levels of severity for conditions.



Statewide Pooled Groups have a lower percentage of office visits with specialist physicians compared to Total MESSA.

## Recommendations

- **URAC Accredited MESSA Member Education Support Programs** for Asthma, Cardiovascular Health, and Diabetes can help patients with these conditions manage their illnesses better; avoid hospitalizations; and reduce severity.
- An increased use of **generic medications** will help lower prescription costs.
- **MESSA's Wellness Consultant** can help develop these types of initiatives in your school. We also offer a wellness program tool kit as well as other services. Overall wellness initiatives can help in detecting illness at an earlier stage so that patients can be treated more effectively. Examples of wellness initiatives include:
  - *Health Assessments* – to provide awareness to individuals of possible health risks and illnesses.
  - *Preventive Visits* – All preventive visits are covered by MESSA at 100%. These visits help in early detection, which lowers complication rates and severity levels, thereby reducing costs.
  - *Incentives* – for participation in wellness programs and education, such as gift cards, discounted gym memberships, etc.
- **MESSA Healthy Expectations** provides support for expectant mothers. When a mom-to-be enrolls in the program she will receive a simple health assessment questionnaire to complete and return. Healthy Expectations will then send a guide book and a customized response providing information on health guidelines for pregnant women.
- **MESSA Nurse Line** is a health information line staffed around the clock by registered nurses trained to answer medical questions and offer guidance.
- **URAC Accredited MESSA Medical Case Management** is a unique program tailored to meet the medical needs of our members who may need extraordinary care if diagnosed with a catastrophic illness or injury. It is designed to help MESSA members and their families through these difficult times by providing flexibility and direct involvement in the management of their health care.