



INSURANCE SERVICES

An organization established by the legislature to provide cost efficiencies in the purchase of insurance



Who Are We and How Do We Help?

Based in North Mankato, Minnesota, the South Central Service Cooperative (SCSC) programs and services are member driven to utilize resources in the most efficient and effective manner possible. SCSC is one of nine regional agencies called service cooperatives, established in 1976 by Minnesota legislation (M.S. 123A.21). The Minnesota Service Cooperatives (MSC) perform planning on a regional basis and assist in meeting specific needs of clients in participating governmental units that could be better provided by a service cooperative than by members themselves. We specialize in providing insurance services.

The health insurance pools for public schools were developed by Minnesota's network of service cooperatives in 1982. In 1993, the service cooperative pools became self-insured. In 1995, pooling was extended to cities, counties and other government agencies (CCOGA).

The service cooperative health insurance pools have grown voluntarily through a market driven system. SCSC administers contracts for more than 600 groups small to large groups across Minnesota, covering more than 100,000 people.

What is a SCSC Health Insurance Pool?

Health insurance pools are formed by groups who band together to leverage economies of scale to lower costs and achieve claim cost stability. South Central Service Cooperative manages the pools, manages premium collection, conducts carrier proposal every four years, and negotiates stop loss and administrative costs, which are approximately 20% lower than in the commercial market. These pools are governed by state law and an elected board of directors consisting of public employers who maintain a joint powers agreement with the service cooperative.

CONTACT US FOR MORE INFORMATION

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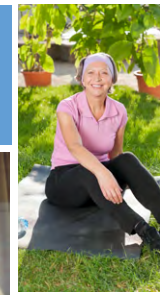
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Why Participate in a SCSC Insurance Pool?

South Central Service Cooperative (SCSC) partners with several nationally known companies to provide a variety of standard and tailor-made insurance plans and services that are efficient and priced right. As the result of insurance pooling, specially negotiated rates are available to public and non-profit employers who are of become members of the cooperative network. There are no membership fees for joining any of these insurance programs.

- SCSC jointly negotiates with six other service cooperatives on behalf of insurance pool participants for:
 - Reduced administrative charges
 - Standardized agreements
 - Network arrangements and provider savings
 - Manufacturer drug rebates
 - Reduced stop loss charges
 - Improvements in claims tracking reports
 - Professional health support and self-care education
 - Wellness reimbursement program
 - Healthy Start Prenatal Support
 - Smoking cessation program
- This statewide coalition also collaborates in other ways:
 - Bid specification development
 - New products and development of commerce filings
 - Program audits
- SCSC staff work closely with the carrier's local account representative to analyze and advocate your group's needs.
- Group coordinators can receive help from the pool with open enrollment meetings, presentations and individual consultation.
- Annual renewals are conducted by the pool with the guidance of internal insurance and underwriting expertise.
- Health insurance pool members receive free employment law seminars (COBRA, HIPAA, insurance law, pharmacy updates and trends, etc.).
- Groups can access health promotion (wellness) program development and interactive client reporting.
- Groups can access flex administration at below market rates.
- Groups can access an employee assistance program.



We provide participating groups and their members the advantage of size and expert management in meeting their health insurance needs.



Key Values of the SCSC Insurance Program

South Central Service Cooperative manages pools for both schools and government; providing the advantages of pooling for more than 80 groups. 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:** SCSC is one of seven regional service cooperatives that leverages its 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. This helps contain costs
- **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.

- **Leadership Position in Consumer Healthcare:** The service cooperative pools have led the design and development of consumer healthcare plans for more than 15 years. These pools and their member groups have implemented more high-value, practical consumer-driven plans than the national average for health plans. This has resulted in lower costs for our groups while putting more healthcare dollars into the pockets of VEBA, HSA and HRA plan participants.

How Does SCSC Insurance Pool Stabilize Costs?

- Superior competitive cost structure
- Lower administrative and stop loss costs
- Consumer driven healthcare options
- Deeper discounts with healthcare providers
- Improved prescription drug value and rebate return
- Uses best practice health care support services
- Assistance with worksite wellness initiatives
- Improved administrative process efficiency
- Health care quality initiatives
- Centers of excellence
- Group and pool level planning services including RFP requirements





South Central Service Cooperative Proposal Approval Form

Current Date _____ Proposal due date _____

Name of group _____

Contact _____

Email _____

Phone number _____

School prospect _____ Government agency prospect _____

Desired effective date _____

Physical location coordinates with what pool _____

History with service cooperatives/Blue Cross _____

Agent/Agency _____ In Force? Y or N

Community rated if fully insured (< or = 100 Employees) Y or N?

Special requests or concerns from the prospect or agent? _____

Attach experience evaluation and/or competitive analysis and fax to Larry IntVeld, SCSC Insurance Service Director, at 651-483-2598 or email lintveld@comcast.net.

Blue Cross Sales Lead/Account Manager _____

Approved By _____ Date _____