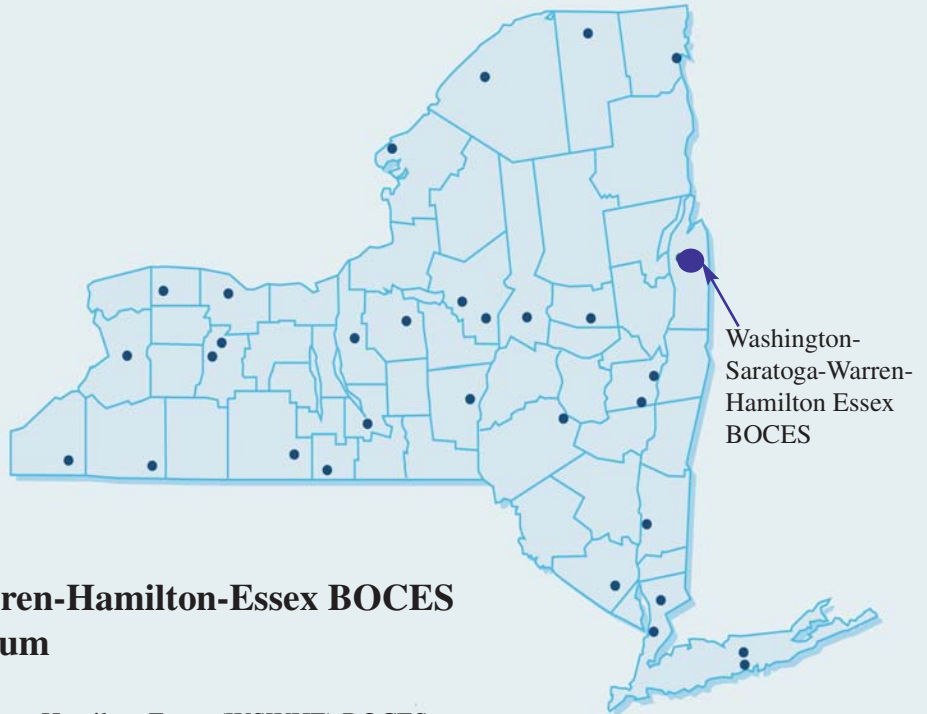


Success story:



Washington-Saratoga-Warren-Hamilton-Essex BOCES Health Insurance Consortium

The Washington-Saratoga-Warren-Hamilton Essex (WSWHE) BOCES established a consortium two decades ago to pool the health insurance claims experience of its member districts. It has 29 members in its five-county area – 28 component districts plus the BOCES itself – and covers more than 7,800 families and 22,000 lives. Three districts within the WSWHE BOCES service area are not members. One is thinking about joining, one is in another consortium, and the other – Abraham Wing school district – is too small to join because it has fewer than 50 employees. Assistant Superintendent for Administrative Services Terry Blanchfield coordinates employee fringe benefits and serves as chairman for the consortium.

The WSWHE BOCES Health Insurance Consortium realizes savings of \$2 million a year for its members on total premium payments of \$84 million. About two-thirds of the savings is a result of the creation of a separate trust in 2006.

Before the trust was created, Empire Blue Cross set and collected premiums for the consortium, paid claims and kept the difference. When Empire Blue Cross became a public company a few years ago, it was required to start paying a premium tax to the state.

Superintendents of participating school districts subsequently authorized the creation of a trust fund and approved a trust agreement for the consortium to establish a rate-stabilization fund for future use. Beginning with the 2006-07 school year, the consortium itself started collecting health insurance premiums from member school districts and paid claims through the trust fund as they occurred. This arrangement meant the consortium was no longer subject to the same premium tax as Empire Blue Cross, resulting in a savings of about \$1.3 million annually. In addition, any surplus funds between premiums received and claims paid are returned to the consortium. The consortium also saves \$750,000 annually in prescription drug rebates and discounts.

“The plan is very cost effective,” said Blanchfield.



24 Century Hill Drive, Suite 200, Latham, NY 12110-2125

www.nyssba.org

