



FOR IMMEDIATE RELEASE
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Cooperative Health Plan Paying Premium Rebates to Members

Common Ground Healthcare Cooperative (CGHC) will pay out \$18.5 million in premium rebates over the next two weeks to its individual members who paid premiums for CGHC insurance coverage in 2018. The average rebate amount from CGHC is approximately \$370. It is the only Wisconsin health plan in the Individual Marketplace paying rebates to its members this year.

The rebate payments comply with provisions of the Affordable Care Act (ACA). CGHC views the requirement as completely consistent with the principles of the Cooperative.

"This is our members' money," said Chris Martin, CGHC's Board Chairman. "As a nonprofit, member cooperative, we are devoted to serving our members and being honest stewards of their financial resources," he said.

The ACA requires insurers to rebate individual premiums when medical claims costs over a three-year period average below 80% of premiums received. The costs-to-premiums ratio is known as the medical loss ratio. The amount paid in rebates is calculated to bring the medical loss ratio to an average of 80% over the three-year period.

"We will likely be in a position to rebate our 2019 members next year, based on our actual 2019 medical costs compared to what we had planned," Martin said.

"We set premiums for our coverage based on expectations of our members' medical needs, the cost of health care in our area and considerations for the continued operation of the Cooperative," explained Cathy Mahaffey, the Cooperative's CEO. "We set the target at 80%, but when medical expenses are less than what we planned for, and we can return some of our members' unspent premium to them, we are happy to do it," Mahaffey said.

"We fully support this provision of the ACA because it ensures our members' premiums are being spent on what they should be – their medical expenses," Mahaffey said.

"We are paying out premium rebates and yet we were still one of the lowest priced health insurers in 2018 for many Wisconsin consumers in our service area," Mahaffey said.

The Cooperative anticipates that it will be offering very competitive prices on the ACA Marketplace Exchange for 2020, which opens for window-shopping in October. The 2020 Open Enrollment period begins November 1, 2019 and closes on December 15, 2019.

Common Ground Healthcare Cooperative serves 20 counties along eastern Wisconsin: Brown, Calumet, Door, Fond Du Lac, Kenosha, Kewaunee, Manitowoc, Marinette, Milwaukee, Oconto, Outagamie, Ozaukee, Racine, Shawano, Sheboygan, Washington, Waukesha, Waupaca, Waushara, Winnebago.

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