Montana Medical Association
Health Care Plan and Trust

Background

In 2006, after years of discussion, the MMA formed a committee to explore the possibility of creating an association health insurance plan. In May 2008 the MMA Health Care Plan and Trust (MMA HCPT) had fulfilled all of the regulatory requirements and started writing our first health insurance policies. Physicians who are members of the Montana Medical Association, their dependants, their employees, and employees’ dependants are eligible for coverage. Enrolled groups control the MMA HCPT’s benefits packages through the Board of Trustees, who are elected by the participating groups.

Advantages of an Association Self-Insured Health Plan

- Profits and excess reserves are to be used to keep premiums down; we are a true non-profit.
- The Enrolled Groups control the plan benefits through their elected Board of Trustees and can be tailored to meet the Participants’ needs.
- Good potential for long-term reduction in rates as compared with commercial insurance.
- Provide real competition to commercial health insurance plans, keeping overall costs down.

Eligibility

- At least one physician in the Group must be a member of the MMA; all physicians participating in the Plan must be an MMA member.
- Minimum of 2 participants in a group (i.e., physician and 1 employee).
- Participant must work a minimum of 20 hours per week to qualify for coverage.
- 75% of eligible employees must participate (employees waiving due to other coverage help qualify for the 75%).
- Physician must pay at least 50% of employee’s premium.

Financial Stability

The MMA HCPT has taken steps to assure its financial stability. Stop-loss insurance has been purchased to cover individual claims exceeding $95,000 to protect our financial soundness, along with establishing a reserve fund, as required by the Montana Insurance Commissioner.

To provide stability to the MMA HCPT, our actuaries and other advisers have advised that our members initially agree to a three year commitment. With this commitment, our underwriters know that we will have stability from our participating groups and it will help us to meet our goal of offering reasonable renewal rates. Three years is the time it is expected to take to have a proven track record. We feel that our members are long term investors and will see the need for this commitment. Historically, many association plans found that after establishing track record, their rates are less than similar traditional insurance products. If, for whatever reason, a participating group decided to withdraw from the MMA HCPT prior to the end of their 3-year-commitment, we would require that they leave us in a good financial position in order to protect the other participating groups. If the withdrawing group is in a positive position, they can leave the Trust. However, if the group’s claims and costs incurred in administrating those claims
exceed their paid premiums, then we would ask them to pay the lesser of the deficit or 3 months’ premium. The Board of Trustees felt this clause was necessary to protect all of the Participating Groups. This penalty does not apply if your group has a three year history with the MMA-HCT.

Who to contact

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Allegiance Benefit Plan Management, Inc provides third-party administration, such as claims processing and customer service.