



News Release

February 1, 2010

Contact: Ms. Sherri Zimmerman
(717) 919-2482

FOR IMMEDIATE RELEASE

Health Insurance Joint Venture: CPHIT Coming to Central Pennsylvania

The South Central Assembly (SCA) and the Delaware Valley Municipal Management Association, LLC (DVMMA) announced today a joint venture to form several non-profit governmental health insurance risk pools in the south-central Pennsylvania region. SCA Executive Director, Sherri Zimmerman noted, "In a world where healthcare costs have been increasing at an annual rate several times inflation, the South Central Assembly (SCA) has been looking for solutions to contain rising health insurance costs for its membership in the eight-county region. After researching several approaches to relieve our region of escalating health insurance costs, DVMMA's 12-year success with municipal pooling in south-eastern Pennsylvania was considered by the SCA's Healthcare Committee to represent the most viable and effective model for school districts, municipalities and counties in this region."

DVMMA provides administrative support to the Delaware Valley Health Insurance Trust (DVHIT), a health insurance pool comprised of 60 municipalities located in Berks, Bucks, Chester, Delaware, Lehigh and Montgomery Counties. A "pool" is a term used to describe a voluntary sharing of risk among members. DVMMA Executive Director, Richard Lee, said, "DVHIT is providing

health coverage to over 10,000 employees and dependents at a modest 9 to 10% administrative load. Annual health insurance rate increases for the DVHIT membership have averaged less than 6% for each of the past 4 years.” In addition to rate stability, the Trust also returns excess funds to the membership as rate credits, which can be applied to further reduce future premiums. Lee said, “The DVHIT experience illustrates the latitude and leverage that can be generated when administrative overhead is reduced to the lowest possible level.”

DVHIT offers total plan flexibility, matching the benefit levels of any commercial plan, yet doing so at reduced rates. SCA members choosing to participate in the new health pools organized under the name of “Central Pennsylvania Health Insurance Trust” or CPHIT, will see an immediate reduction of rates ranging from 3 to 5% for the same plan design. Members must agree to join the program for a minimum of two years, although pools work best when members commit to work in consort with one another over a much longer term. More than 90% of the DVHIT members decide to renew with the Trust each year, and in recent years the retention rate, has been 100%.

SCA will provide membership support and DVMMA will provide administrative support to the new pools. Both Zimmerman and Lee credited the similarities of their respective missions as the commonality for the joint venture: “Both organizations are totally dedicated to providing meaningful, value-added services to our non-profit members,” Zimmerman said.

Throughout 2010, SCA will host a series of workshops focused on key health-related topics, including cost control strategies, employee wellness initiatives, and the impact of health reform.

School districts, counties, municipalities and authorities interested in becoming charter members of the new Central Pennsylvania Health Insurance Trust should contact Sherri Zimmerman at (717) 919-2482 or via email a sherri@southcentralassembly.org.

The SCA is a regional, nonprofit organization which works to improve governance and public service in the region through collaboration and information sharing. Membership is made up of government organizations, non-profits, and businesses in the eight-county south-central Pennsylvania region. The SCA headquarters are located on the campus of Penn State Harrisburg in Middletown, PA. You can learn more about the SCA through their website at www.southcentralassembly.org

Trust Administration is provided by the Delaware Valley Municipal Management Association, LLC, Willow Grove, PA. DVMMA provides internal support services to three Delaware Valley municipal insurance trusts. www.dvit.com



####