About the LGRP

Frequently Asked Questions

What is the LGRP?

PEHP administers the employee benefit plans for hundreds of Utah public entities in a self-funded pool called The Local Governments Risk Pool (LGRP). Participating cities, counties, special service districts, and schools get all the benefits of PEHP's non-profit model combined with the benefits of self-funded with the feeling of fully-insured.

» The money we hold in the LGRP is our members', it's never ours

» When costs are reduced, our clients reap the financial benefit, not us

» No reserve deposit is required

» Rates do not include profit margin

» Pharmacy rebates are given to the pool, not kept by the carrier, and offset renewals

» Rates are a direct reflection of trends, expected claim costs, and administrative fees

» Lowest costing administrative fees and reinsurance in the state.

What are the advantages of joining the LGRP?

» **Stability**
  - › Lower than market renewals and trends
  - › Reserves in a solid financial position, earn interest to offset renewals
  - › No deposit required to join

» **Plan flexibility**
  - › Variety of plan options including traditional and HDHP plans
  - › Plan customization for large groups
  - › Deductibles and out of pocket maximum limits accrue in a plan year rather than calendar

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» **Multiple networks can be offered**
  › Summit – MountainStar, University, and Steward (formerly IASIS) hospital networks
  › Advantage – Intermountain Healthcare network
  › Preferred – covers every major hospital in the state
  › Multiple exclusive networks for lower rates and deeper discounts

» **Satisfaction**
  › Customer service is unmatched- satisfaction surveys showing 98%, seriously!
  › Convenience of one-stop shopping: medical, dental, vision, life, and LTD available

» **ACA assistance**
  › Avoid some of the fees and taxes required by the affordable care act
  › PEHP collects and pays ACA fees on your behalf
  › We compile all ACA reporting documents and forms

» **Savings**
  › Annual review where we give back excess reserves and savings to groups
  › No profit, low cost administration and reinsurance

What is vesting and how does it work?

Contracts in the LGRP are year-to-year with vesting. We have a vesting period to protect those already participating in the pool and the reserves they've built. The vesting period prevents any one group from depleting the reserves and then leaving the other groups responsible.

The vesting period is for three years and requires a group to pay back any deficit it incurs if the group leaves before the vesting period ends. The vesting period can be waived if a group provides 2 years of credible claims experience prior to joining the pool.

New groups who join the pool enjoy the certainty of a trend renewal for the second year at 7.5%.