

MEMORANDUM

TO: Prospective Participants of the
Penn-Ohio Regional Health Care Alliance (Penn-Ohio)

FROM: Dawn Chaffee, Secretary/Treasurer
(724) 658-6506

SUBJECT: Membership Commitment and Dues

If Penn-Ohio is to be the vehicle we all want it to be, it is extremely important that we maintain our membership base. The potential savings for the membership are dependent upon a consistent number of plan participants.

In an effort to affirm the commitment of Penn-Ohio members to the Penn-Ohio group, and to maintain a very minimal amount of funds on hand for office supplies, meetings, mailings, etc., we are requiring that employers pay an initial membership fee of \$25 for groups with 2-25 employees, \$50 for groups with 26-50 employees and \$100.00 for group having 51+ employees along with annual membership dues as indicated below.

Annual dues are based on the number of employees and are structured as follows:

2 – 25 Employees	\$ 25 per year
26 – 50 Employees	\$ 50 per year
51 – 100 Employees	\$100 per year
101 – 150 Employees	\$150 per year
151 – 200 Employees	\$200 per year
201 – 250 Employees	\$250 per year

For groups with 251 or more employees, dues continue to increase in increments of \$50 per year for each additional 50 employees.

Groups that terminate their membership with Penn-Ohio, or have their membership terminated, will be subject to a two-year waiting period for re-enrollment in Penn-Ohio. A reinstatement fee of \$100 will also be required upon re-enrollment.

Please complete the attached Membership Application and forward with your dues to the address indicated on the application.

PENN-OHIO REGIONAL HEALTH CARE ALLIANCE MEMBERSHIP APPLICATION

COMPANY INFORMATION

Company Name _____

Mailing Address _____

City, State, Zip Code _____

County _____ SIC Code _____

Contact Person / Title _____ Email Address _____
(contact person is also the voting member)

Phone Number (_____) _____ Fax (_____) _____
Area Code Area Code

Alternate Contact _____ Email Address _____

Phone Number (_____) _____ Fax (_____) _____
Area Code Area Code

Total Number of Employees _____ Number of Eligible Employees _____
(dues based on this number)

HEALTH INSURANCE INFORMATION

HealthAssurance Group Number(s) _____

HealthAssurance Sales Representative _____

Effective Date _____

AMOUNT DUE YOUR COMPANY

Membership Fee \$ _____ (\$25 for 2-25 Employees, \$50 for 26-50 Employees, \$100 for over 50 Employees.)

Annual Dues \$ _____ (Please use the dues schedule below to figure the enrollment year prorated dues amount.)

Total Amount Due \$ _____ (This amount is due within 30 days of your effective date.)

Number of Employees	Effective Date											
	Jan 1	Feb 1	Mar 1	Apr 1	May 1	Jun 1	Jul 1	Aug 1	Sep 1	Oct 1	Nov 1	Dec 1
2 - 25	\$25.00	\$22.92	\$20.83	\$18.75	\$16.67	\$14.58	\$12.50	\$10.42	\$8.33	\$6.25	\$4.17	\$2.08
26 - 50	\$50.00	\$45.83	\$41.67	\$37.50	\$33.33	\$29.17	\$25.00	\$20.83	\$16.67	\$12.50	\$8.33	\$4.17
51 - 100	\$100.00	\$91.67	\$83.33	\$75.00	\$66.67	\$58.33	\$50.00	\$41.67	\$33.33	\$25.00	\$16.67	\$8.33
101 - 150	\$150.00	\$137.50	\$125.00	\$112.50	\$100.00	\$87.50	\$75.00	\$62.50	\$50.00	\$37.50	\$25.00	\$12.50
151 - 200	\$200.00	\$183.33	\$166.67	\$150.00	\$133.33	\$116.67	\$100.00	\$83.33	\$66.67	\$50.00	\$33.33	\$16.67
201 - 250	\$250.00	\$229.17	\$208.33	\$187.50	\$166.67	\$145.83	\$125.00	\$104.17	\$83.33	\$62.50	\$41.67	\$20.83
251 - 300	\$300.00	\$275.00	\$250.00	\$225.00	\$200.00	\$175.00	\$150.00	\$125.00	\$100.00	\$75.00	\$50.00	\$25.00

Make Checks Payable to and mail to:

Penn-Ohio Regional Health Care Alliance
c/o HealthAssurance (Attn: Jerry Wall)
11 Stanwix Street, Suite 2300
Pittsburgh, PA 15222

Membership Applications/Dues are forwarded to the Penn-Ohio Treasurer after company information is recorded by HealthAssurance.

Form of Notice re: Deductibility

Contributions or gifts to the Penn-Ohio Regional Health Care Alliance are not deductible as charitable contributions for federal income tax purposes. However, dues payments may be deductible by members as ordinary and necessary business expenses.

IMPORTANT NOTICE TO PENN-OHIO MEMBERS

Effective January 1, 2006, Penn-Ohio Regional Health Care Alliance (Penn-Ohio) entered into a new two-year arrangement with HealthAssurance to provide affordable health care coverage to Penn-Ohio member employers.

As a condition of continuing to offer favorable health care rates to our Penn-Ohio members, the agreement requires that the HealthAssurance Point-of-Service (POS) and Preferred Provider Organization (PPO) plans be the only health care coverage which is offered by Penn-Ohio members to their employees. Therefore, effective as of January 1, 2006, in order to remain a member of Penn-Ohio, each employer must agree not to offer any other health care coverage to its employees. You may, however, continue to offer other vision or dental benefits.

Each year during which the HealthAssurance agreement is in effect, you will be required to certify to Penn-Ohio that you do not offer any other health care benefits (other than vision or dental) to your employees. If you fail to make this certification or if you offer any other health care benefits to your employees, your membership in Penn-Ohio will be terminated immediately. As a result, you will lose all of the privileges associated with your Penn-Ohio membership, including the favorable health insurance rates and trend guarantees which are provided under the HealthAssurance agreement to Penn-Ohio members.

CERTIFICATION OF HEALTH CARE COVERAGE AND SIGNATURE

NAME OF COMPANY: _____

The undersigned Company representative makes the following certifications:

1. On behalf of the Company, I hereby certify that all of the information contained in this application is true and complete.
2. On behalf of the Company, I hereby certify that the HealthAssurance health insurance options which are offered through the Company's membership in Penn-Ohio are the **only** health care benefits (other than dental and vision) which are currently offered to the Company's employees and which will be offered to the Company's employees while the Company remains a member of Penn-Ohio.
3. On behalf of the Company, I hereby acknowledge that the Company understands and agrees to immediately inform Penn-Ohio if it offers its employees any other health care benefits (other than dental or vision) to its employees and the Employer acknowledges that such action will result in the immediate revocation of the employer's membership in Penn-Ohio.
4. On behalf of the Company, I hereby acknowledge and understand that if the Company fails to pay its annual dues, Penn-Ohio will terminate the Company's membership therein.
5. The Company agrees to abide and be bound by the rules and by-laws of Penn-Ohio that apply to the Company.

6. The Company agrees and acknowledges that while Penn-Ohio intends to continue in effect the agreement with HealthAssurance which contains favorable health insurance rates and trend guarantees for its members, it is under no obligation to do so and if such agreement is terminated, the Company will no longer receive the benefits of such rates or guarantees.
7. The Company agrees and acknowledges that Penn-Ohio is not a health care insurer or an agent, employee or representative of HealthAssurance and that the terms of any health care insurance which is provided to the Company's employees will be contained in a separate contract which is between the Company and HealthAssurance. In addition, the Company hereby agrees to indemnify and hold Penn-Ohio harmless against and in respect of (i) any loss, liability or damage suffered or incurred by the Company (or any of its employees or their spouses or dependents, to the extent permitted by law) due to breach of any obligation of HealthAssurance under its agreement with Penn-Ohio or with the Company or any act, error or omission of Health Assurance, its employees, agents or representatives relating thereto, (ii) any loss, liability or damage suffered or incurred by the Company (or any of its employees or their spouses or dependents, to the extent permitted by law) due to any act, error or omission of Penn-Ohio, its employees, agents or representatives in relation to the provision of health care insurance by HealthAssurance, and (iii) all reasonable costs and expenses (including attorney's fees) incurred by Penn-Ohio in connection with any actions, suit, proceeding, demand, assessment or judgement incident to the matters indemnified by the Company under the preceding clauses (i) and (ii).
8. The undersigned states that he/she has full authority to sign this Certification on behalf of the Company and to bind the company to the terms stated herein.

Authorized Signature

Date

Please print name

Title