



2010 Chairman's Address

Winston Churchill once said "There are two things more difficult than making an after dinner speech: climbing a wall which is leaning toward you and kissing a girl who is leaning away from you." I have to believe that the after dinner speech is safer, but probably not near as much fun as the other two, so with health care costs and insurance premiums in mind I will stick to the grueling after dinner speech. Welcome to the third annual meeting of the Farmers' Health Cooperative of Wisconsin (FHCW). I am Jeff Bennesch, Chairman of your Board of Directors. I'm a grain farmer from Colfax with a strong background and belief in cooperatives, and someone who has been involved in the development of the Farmers' Health Cooperative since my days as a director for the Cooperative Network and Dairy Farmers of America. It was the Cooperative Network that gave the Farmers' Health Cooperative its start, and we will always owe that organization a great deal of gratitude for bringing the many, many people together that had a hand in our formation, including cooperative leaders from across the state, Senator Herb Kohl and Congressman Dave Obey, as well as Governor Jim Doyle and other Wisconsin lawmakers. We should also recognize the organizations that provided us with grant funding to get started, including the Wisconsin Department of Agriculture, Trade and Consumer Protection, the US Department of Agriculture, the University of Wisconsin Medical School's Partnership for a Healthy Future Fund and AgStar Farm Credit.

I would also like to recognize our Board of Directors for their dedication and commitment to this cooperative.

Debbie Diederich: Debbie is a dairy farmer and registered nurse from De Pere who has been in farming for 33 years. Debbie, who represents Region 3, began serving on the Board in 2008 and she was re-elected last year.

Mary Sosnovske: Mary has been in farming her entire life and currently dairy farms in northern Lincoln County. Mary represents Region 2 and began serving on the Board last year.

Dean Micke: Dean is a fourth generation dairy farmer and part-time logger from Stanley. Dean is an at-large Board member and began serving in 2008. Dean's 2-year term is expiring and he has decided not to run for re-election. I would like to thank Dean for his committed service to FHCW and I would like to present him with this plaque as a token of our gratitude and appreciation.

We also have two ex-officio Board members:

Bill Oemichen: Bill is President and CEO of the Cooperative Network. In 2009, the Farmers' Health management contract with the Cooperative Network expired. I would like to thank Bill and his Board for their countless hours of work getting the legislation approved, securing the funding and laying the groundwork for Farmers' Health to be able to operate independently.

Max Gannon: Max Gannon is President of Agri-Services Agency (ASA). ASA is our plan administrator and Kevin O'Keefe of ASA is here today representing them.

I would like to acknowledge and thank the Board members who recently resigned from the Board as a result of changing their insurance provider: Bill Averbeck, from Fond du Lac, Joan Rademacher from Cottage Grove and Christine Sohns from Nekoosa.

Finally, and most importantly, I would like to recognize Cathy Mahaffey, our Executive Director. Cathy has been with the cooperative from the beginning, first as a consultant on the Co-op Care project with the Cooperative Network, then as a consultant to Farmers' Health. This past fall as the management agreement with Cooperative Network ended, your board voted to hire Cathy as the Executive Director of FHCW. Our past and present Board of Directors and staff are some of the finest and most dedicated people I've had the opportunity to work with. Thank you all.

When I closed my speech last year, I said we were expecting a challenging year in 2009 and that certainly proved to be the case. We knew our state's farmers and agri-businesses were facing tough economic times so we were not surprised when our new enrollment slowed. I am proud to report, however, that we still added over 200 new members in 2009. Our dental plan with Delta Dental, also launched in 2009, has been received very well by our members and has experienced growth.

Another challenge our cooperative faced, but did not expect, was the need to consider a new insurance carrier for our members. The Board, staff and members routinely expressed their satisfaction with Aetna, however Aetna was asking for an increase in their administrative fees for 2010 which we could not justify and our actuary also advised us that Aetna's provider network discounts were poor. As a result, the cooperative's claims were more costly than they should have been. The increase in administrative costs along with poor network discounts and a worse-than average claim year, resulted in a proposed premium increase from Aetna that the Board considered unacceptable. As a member-owned and governed cooperative, our Board of Directors has the responsibility to review all available health insurance options and make a selection that is in the best interests of you our members.

We worked hard to find a new insurance partner who not only offered better administrative fees and provider discounts but also believed in our goal of providing Wisconsin farmers and agri-businesses with quality benefits and stability you want today. We won't necessarily be the least expensive option, but we will be there providing comprehensive coverage for preventive care and coverage when you or a family member has an accident or illness. Even with the change some members' rates went up dramatically, but no members had their coverage dropped or had specific medical conditions ridered.

The search for a new insurance carrier wasn't easy but fortunately our partner ASA worked diligently to negotiate an arrangement with Anthem (Blue Cross and Blue Shield of Wisconsin) that offered the least amount of disruption possible to our members. Anthem has expressed their commitment to Wisconsin's farmers and agri-businesses and with their favorable administrative expenses and provider discounts, we believe they will help us deliver high quality health insurance to our members and ensure the long-term success of the cooperative.

While change is always difficult, we appreciate your patience and understanding while we made this transition to Anthem. I know I can speak for ASA when I commit their organization and ours to making your experience with Anthem as positive as possible.

As we move further into 2010, our focus will continue to be on providing the best value for our members and providing the highest level of service possible. April 2010 marks our three year anniversary of FHCW and will also begin to mark the end of the three year commitment members made to the cooperative. As you receive your capitalization payment back, we hope that you choose to remain a member of the cooperative.

We remain committed to making FHCW your choice for years to come. Wisconsin farmers and agri-businesses deserve plan designs that meet their needs, with higher quality benefits, and stability than what are available to individuals outside the cooperative. We will continue working on your behalf toward these important goals.

Thank you for your continued support of Farmers' Health Cooperative of Wisconsin.