

ANNUAL REPORT



Mapping a Road to Better Healthcare



Putting Members First.
Pursuing Better Healthcare.

www.CommonGroundHealthcare.org

A Letter From Our CEO



Dear Members,

You are the cornerstone of our work, and we thank you for choosing Common Ground Healthcare Cooperative. As I reflect on the past year, I would like to extend a warm welcome to members joining us for the first time and appreciation to members who have been with us over the years.

In 2018, we reached profitability for the first time in our short history, and I'm pleased to share with you that we were also profitable in 2019. This profitability has enabled us to lower our premiums two years in a row. The best news of 2019 was learning we would be financially able to return a portion of monthly premiums to our 2018 members in the form of a premium rebate! Needless to say, our staff and Board of Directors were beyond excited to give back to our members, and we hope we will continue to have more good news to share in the future.



I'm proud to lead a non-profit cooperative dedicated to changing the health insurance landscape and creating a better path forward that is member-driven and honest. As a cooperative, we don't answer to external stakeholders. We answer to you. With that sentiment in mind, we continuously work to improve our products and services as we make decisions, keeping you, our members, at the center of those decisions. This Annual Report reflects the aspects of our work that we have completed so far. And this is only the beginning.

Each year, we take a hard look at where we have been and where we want to go. Between 2018 and 2019, we reached important milestones for such a young company. Moving forward, we will continue to fight on your behalf. We will work to address health inequities and limitations to accessing low-cost healthcare solutions. We will advocate for more inclusive health policies at the state and federal level. We are not afraid to do what we think is right, and we invite you to maintain your stake in our cooperative, where you can count on honesty and having your voice heard.

The theme for this year's Annual Report, Mapping a Road to Better Healthcare, may have a familiar ring to it. Over the years, our commitment to forging a path to better healthcare has only grown stronger and our passion more fervent. As our strategic plan unfolds, we are maintaining the foundational elements: advocacy, partnership, and innovation, where you and your families' health needs make up the center. We look forward to more years of stability. Through the challenges we want you to know that our commitment to you has never waived. We will be here for you and with you for as long as you need.

Sincerely,

Cathy Mahaffey, CEO

Members Elected By Members

Your 2019-2020 Voting Board of Directors



Chris Martin
Board Chair

Small Business Owner



Amy Murphy
Vice Chair

Public Health
Consultant



Mary Rehberg
Secretary/Treasurer

Self-employed CPA



Brett Remington
Director

Small Business Owner



Dr. Clifford Pukel
Director

Oncologist



Mike Braun
Director

Retired Human
Resources Professional



Terri Piszczor
Director

Graduate Student



Erin Kenneke
Director

5th Generation
Dairy Farmer



Will Kort
Director

Watershed Planning
Consultant

A special thank you our current Non-Voting Directors serving on our Board including our founder, Bob Connolly, our former Board Chair, Jim Wesp, and former voting Board member, John Maglio, who continually support our mission with their talents and expertise.

To read more about your Board members visit
CGCares.org/Governance

Mapping A Road to Better Healthcare

“Every day, we strive to give our members honest answers. We’re not interested in having our members guess about their coverage. At Common Ground, we give our members the type of service we would want, and then some, to try to turn the stigma related to health insurance around by one positive gesture at a time.”

Erica, Member Services

Our Promise to You

To serve you better and reduce the rising cost of healthcare, we have launched an organization-wide initiative taking three forms: advocacy, partnership and innovation.

Advocacy

CGHC led a class action lawsuit in pursuit of CSR payments owed to CGHC and other health plans, and in October 2019, we won! CGHC also advocated against surprise billing to improve experiences for members and all consumers of health insurance in Wisconsin.

Partnership

In 2019, we partnered with organizations for our Health and Wellness Marketplace, and then further fostered those relationships through our Community Outreach Committee!

Innovation

Our Member Services Department has been enhanced throughout 2019, especially during 2020 Open Enrollment. It has become a well-oiled machine, with representatives available to help members with shortened wait times and valuable information.

Put Members First | Engage and Evolve | Be Honest and Ethical

Perform at a High Level | Promote Teamwork | Communicate and Connect

We are making health insurance an **HONEST** business.

- ✓ Doing the right thing is our company policy.
- ✓ Offering health insurance at a fair price.
- ✓ Sharing profits with our members.
- ✓ Advocating for access to healthcare.
- ✓ Educating and informing to enable better decisions.



Igniting Our Voice

Over the past year, we have put a lot of time into understanding how the values, mission, and energy of our cooperative translate to our member, employee, and community perception of our organization. This is our “brand.” Our CGHC leadership team and staff dug deep to find the right words to express our collective dedication to our mission, and we determined that we are a challenger. We challenge the status quo, we are daring, spirited, imaginative, and ask the questions that other companies won’t.

Join Our Journey

We believe that our pursuit for honest health insurance is a movement, and we hope all members will join. It is important that we hold ourselves and others in the industry accountable for transparency, honesty, and simple information to make health insurance easy. Give us feedback, ask us the challenging questions, and join us, as we are making health insurance an honest business.

Our Manifesto

When did giving a straight answer go out of fashion? When did fairness become optional? When did the system get more important than the people it serves?

At Common Ground Healthcare Cooperative, honesty never takes a backseat. Principles are placed above profits and human interactions are always valued over transactions.

We choose to be human beings first. To have an open dialogue with our members. To create clear and transparent policies. To act with integrity and speak the truth. Always.

We're challenging the status quo and making health insurance an honest business.

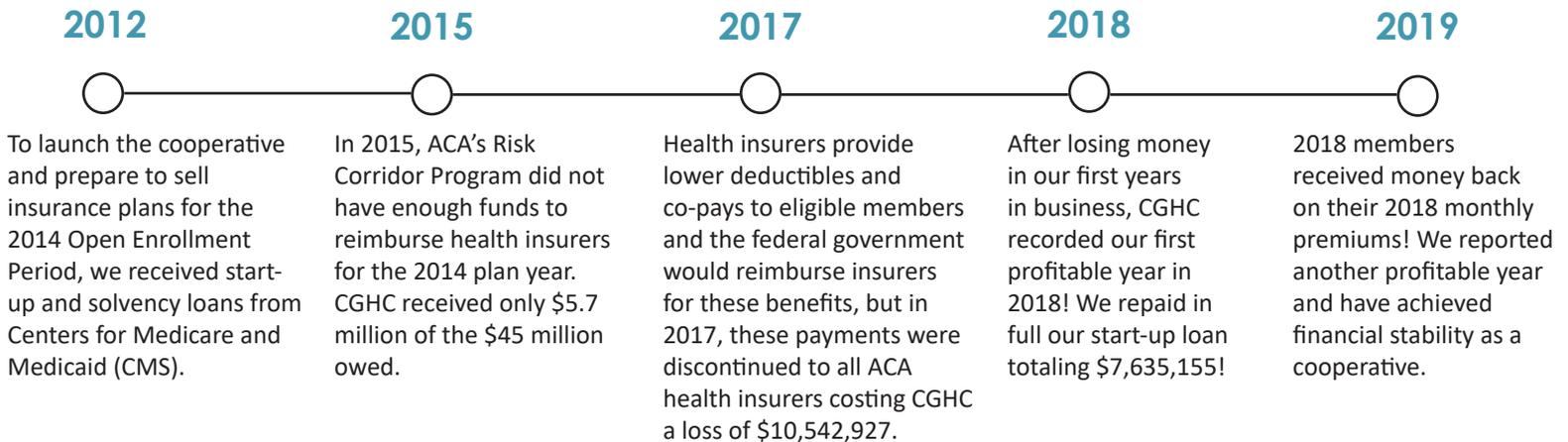
We invite you to join us.

Our Financial Journey



Premium Rebates

One of our proudest moments of 2019 was mailing premium rebate checks to our 2018 individual members. In 2018, we experienced our first year of financial profit, which enabled us to return a portion of our members' premiums back into their pockets and invest in improving our member experience. We have been through our share of challenges and reaching financial stability allows us to continue serving you. We are as dedicated as ever to exemplary service, innovative health care solutions, and providing Wisconsinites with lower-cost health care coverage. Thank you for choosing CGHC as your health insurance carrier and opting-in to our cooperative community. We are in this together!



“This was my first time buying insurance on the ACA marketplace. Given the rising cost of healthcare, a member-owned co-op with an online clinic and additional primary care visits covered, Common Ground was an easy choice.”

Rachel, CGHC Member

2019 Successes

Health and Wellness Marketplace

Each year, we invite CGHC members to attend our annual meeting for cooperative news and updates and to connect with each other. As a member-governed cooperative, our annual meetings are our time to extend our appreciation and thanks to all of our members. We also believe our annual meetings are a unique opportunity for members to meet with our staff, ask important policy questions, and hear from our leadership team and Board members.

This past year, we introduced a new and exciting element to our 2019 annual meeting, the Health and Wellness Marketplace. We invited select vendors and partners, including Aurora Health Care, YMCA, Core/El Centro, OptumRx, Delta Dental, and others, to participate in our Marketplace offering members educational resources, prizes, access to knowledgeable representatives, and even health and wellness services, such as on-site blood pressure screenings and chair massages. The annual meeting is a celebration of you and we hope you will join us in honoring you at future meetings!



Awards & Accreditations

CGHC earned the Top Workplace Award again for 2019, for the third consecutive year!



journal sentinel

We are also accredited as a NCQA certified Qualified Health Plan (QHP).



Community Engagement

Over this past year, our team has reflected on what role we want our cooperative to have in the community. After thoughtful deliberation, our goal remains the same. We strive to be a beacon of light in our community. We think it's important to support other organizations leading the charge in addressing our community's needs, such as hunger and poverty. In 2019, our team was more than happy to share their own individual resources like time and money to assist our local organizations in pursuing their important work. Our team donated sandwich making supplies and packaged containers full of meals for Guest House of Milwaukee. We collectively donated our time in days of service, Christmas presents, and cold-weather gear for children in the Milwaukee Public School System (MPS). We also continue to support organizations like Covering Wisconsin, the Milwaukee Enrollment Network (MKEN), and Core/El Centro who consistently overcome monumental challenges in their respective areas of service because our community is at the core of what we do.

**Guest House of Milwaukee | Hunger Task Force | Habitat for Humanity
Sista Strut | Walk for Wishes | Holiday Giving Tree | Mitten Tree Drive**



Our Financial Report

2019 ASSETS

Cash & Short Term Investments	\$162,825,641
Bonds	\$94,248,683
Affordable Care Act (ACA) Receivables*	\$969,283
Other Current Assets	\$64,155,138
Total Assets	\$322,198,744

2019 LIABILITIES & SURPLUS

Claims Reserves	\$53,385,376
Medical Loss Ratio Payable	\$40,945,416
Other Liabilities	\$16,966,100
Capital & Surplus (incl. surplus notes)	\$210,901,853
Total Liabilities & Surplus	\$322,198,744

2019 REVENUES & EXPENSES

Premium Revenue Net	\$513,508,102
Benefit Expense Net	\$388,019,990
Net Operating Gain	\$125,488,112
Salaries, Compensation & Benefits	\$11,028,359
Professional Fees	\$4,168,613
Depreciation	\$191,640
ACA Related Fees	\$17,355,360
Other Expenses	\$18,725,244
General Administrative Expenses	\$51,469,217
Net Investment Income	\$5,201,791

NET INCOME (LOSS) Before Taxes	\$79,220,685
WI Income Tax	\$6,491,239

NET INCOME (LOSS) After Taxes	\$72,729,447
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*ACA Receivables includes Advanced Premium Tax Credit (APTC) Receivables, Risk Adjustment Receivable, CMS Reinsurance Receivable, and CMS Risk Corridor Receivable.

**Numbers are rounded to the nearest whole value.



HEALTHCARE COOPERATIVE



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