



SELF-FUNDED HEALTH BENEFITS



Self Insured Plans LLC

Discover the Benefits



FOR COST CONTROL AND FLEXIBILITY

Protection, cost control and service traditionally have formed the basis for comparison among insurance alternatives. But when it comes to employee health benefits, continued inflation in medical care costs has redefined these objectives and made them much more difficult to achieve.

Flexibility has become a primary concern as employers strive to meet the needs of today's employees, and many managed care plans fail to provide adequate peace of mind.

Today, cost control reflects the ability of a health care plan to effectively manage claims, monitor utilization and track provider performance.

And while good service used to be measured in the number of days it took to settle a claim, it now requires a total commitment to competitive products, expert claims analysis, state-of-the-art technology, including internet access and of course, financial integrity.

Current surveys indicate that these changing health care objectives have compelled

approximately two-thirds of all U.S. employers to choose partial self-funding to finance the cost of employee health care benefits.

Increased Control

With a partially self-funded plan, the employer assumes a professionally calculated amount of risk (claims). Stop loss coverage is obtained to cover excess claims.

- *Specific stop loss protects the plan against an individual catastrophic claim.*
- *Aggregate stop loss covers claims exceeding a given amount on the entire covered group.*
- *We offer access to very competitive stop loss markets.*

Self-funding gives employers greater control, since their funds may be contributed to an employer-established account and transferred when needed to pay claims. Excess funds remain in the account and collect investment earnings. With a 501(c)(9) trust account, these earnings may accrue tax-free.

Lower Costs

While most of the savings realized from self-funding is created by enhancements in plan design and claims administration functions, the following cost-saving features also apply:

- *Premium taxes – usually 2% to 6%, do not apply to self-funded claim funds in most states.*
- *Operating costs generally are lower.*
- *Insurance carrier profits and risk charges often are reduced.*
- *Self-funded programs are regulated by ERISA, eliminating many costly state-mandated benefits.*

Self-Funding Adds Flexibility

A careful analysis of your existing plan and financial capabilities will help determine proper levels of coverage, deductibles, coinsurance, cost management and the projected amount of stop loss risk.

The following strategies will encourage employees to choose health care delivery systems which are both medically appropriate and cost conscious...

Cost Management

Pre-admission certification, pre-admission testing, second surgical opinion, concurrent review of hospital stays and large case management can be implemented to monitor the quality and appropriateness of hospital care.

Preferred Provider Organizations (PPOs)

These networks enable community based hospitals and physicians to contract with large purchasers of care on a fee-for-service basis. In order to benefit from negotiated discounts on fees and services, most self-funded plans are designed to encourage use of network providers.

Physician/Hospital Organizations (PHOs)

These organizations bond hospitals and physicians together as cooperative units, to contract directly with employers or managed care plans.

Direct Provider Contracting

Sometimes referred to as carve-out plans, these contracts are often negotiated with single vendors for purchase of a specific type of coverage.

Point-of-Service Plans

These plans offer employees the ability to go outside a specific provider network for services, usually with a higher deductible or coinsurance contribution.

Throughout the plan design process, we will work closely with your accountant, legal counsel and financial depository to comply with existing government regulations and applicable bargaining agreements. We will help develop the Plan Document, Summary Plan Descriptions, Identification Cards and Administrative Forms. We also will assist in communicating the new plan to your employees, in a variety of media.

This is all part of our customized plan design service, which provides valuable coverage and cost control with added flexibility and communication.

Accurate & Efficient Plan Management

While information can now be accessed by phone or over the internet, covered employees are never without access to an experienced claims analyst – a person who knows and understands your plan.

More than ever today, our technology makes it easy to verify eligibility, compare current charges to prior history, track provider payments, calculate allowed benefit payments and issue claim checks with supporting explanations.

Quality Assurance & Claims Screening

Our claims analysts use state-of-the-art technology to monitor the eligibility of employees and their dependents. Employee status is updated instantly, including name changes, pre-existing conditions and benefit extensions. Using medical logic technology and a clinical support team of nurses and physicians, we screen medical claims for compliance with currently accepted medical practice standards. In addition, our people coordinate benefits with other plans or plan limitations and follow up immediately when additional data is required.

Financial Control

For self-funded employers, we use our in-house information systems to manage loss funds and checking accounts established to handle claims. We maintain check registers and payment summaries, and can direct billing to any plant or office location. We also complete the necessary federal disclosure forms and provider 1099s.

Information Services

As a fully automated benefits administration firm, we provide self-funded employers with easy access to timely reports on claims experience, provider practices and funding status. Our standard management reports include:

- *benefits analysis report*
- *coverage analysis report*
- *monthly check register*
- *monthly paid claims register*
- *lag study/cash analysis*
- *eligibility listing*
- *1099s and W-2s*
- *provider payment analysis*

We can also provide a wide range of utilization and provider reports. A few which are often requested include:

- *hospital utilization statistics*
- *diagnosis reporting*
- *provider comparison analysis*
- *loss ratio reports*
- *average length of stay (by diagnosis and hospital)*
- *hospital admissions by day*
- *co-payment analysis*
- *attending physician review*
- *length of stay by cause*

In addition, we can custom-design reports to help clients analyze plan utilization and managed care savings in further detail. You will receive the information you need to effectively plan and manage costs.

Customized plan design, efficient plan management and state-of-the-art information services...

the benefits are added control and flexibility!

Proven Expertise...

As a professional benefits administration firm, we have the resources and experience to respond to virtually any employee benefit-related need you may have. From day-to-day administration of a self-funded group health plan to identifying a provider network in another locale, we'll help you find a solution that's right for your people and your bottom line.

Find out how our services and expertise can help you manage your employee benefit program today and in the future.

Discover the benefits.



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