

COURSE OUTLINE: Self-Funded Concepts

- 10 Minutes I. How Self-Funding Works
- A. Comparison to Fully Insured. Discussion of the differences between fully insured and self-funding over a year.
 - B. Fixed Costs. Discussion of hard costs that make up self-funding.
 - C. Self-Funding gives greater control of plan management. Discussion of various plan controls that can help the self-funded employer explore cost containment across many fronts.
- 10 minutes II. Components of Self-funding – SPECIFIC STOP LOSS
- A. Specific Stop Loss. Discussion of the basics of stop loss coverage, how to choose the correct Specific Deductible, how large claimants affect stop loss costs and what to expect at renewal.
 - B. Incidence of Claims Over Certain Dollar Thresholds. A comparison of a large population over a two year period. Discussion of reviewing an individual group's experience or expected claims.
 - C. Lasers. Discussion of how lasers can impact the cost of specific stop loss.
 - D. Payable Charges By Member. A look at the percentages of a large number of members with claims over a two-year period.
- 10 minutes III. Components of Self-funding – AGGREGATE STOP LOSS
- A. Components of Aggregate Stop Loss. Discussion of how Specific Deductible impacts the Aggregate Factors, Aggregate Corridor options, Expected Claims vs. Maximum Claims Liability.
 - B. Percentage of Clients At or Below Expected Cost. Discussion of how underwriters underwrite and their expectations versus aggregate factors. How underwriter determinations can affect maximum liability, and how maximum liability vs. expected claims should be viewed by buyers.
 - C. Case Study. Review of a 51-99 employer group's self-funded experience in their first year.
- 10 minutes IV. Stop Loss Contract Types
- A. Stop Loss Contract Types. Discussion of "Incurred In and Paid In" and the increments that are most typical for stop loss carriers; how to match up an existing self-funded group to new stop loss coverage and ensure no gaps existing going forward.
 - B. Stop Loss Products. Discussion of 12/15, Aggregate Accommodation and Terminal Liability Options.
- 5 minutes V. Compliance. Discussion of the rules of ERISA and the ACA and how they impact self-funded employers.
- 5 Minutes VI. Common Innovation. Discussion of innovations seen throughout the country as self-funded employers attempt to contain the costs of health benefits.