

“The real winners in life are the people who look at every situation with an expectation that they can make it work or make it better”

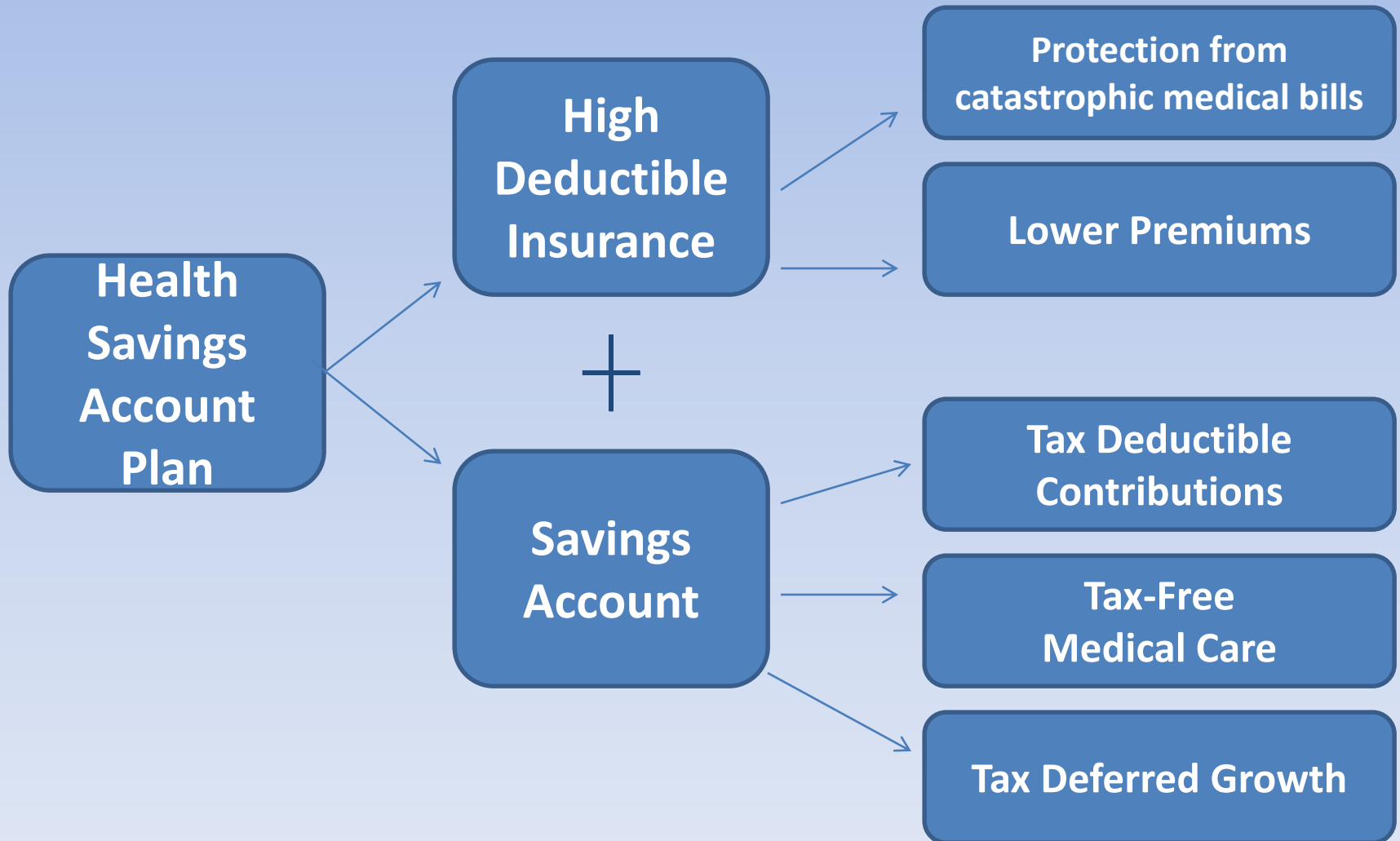
Barbara Pletcher

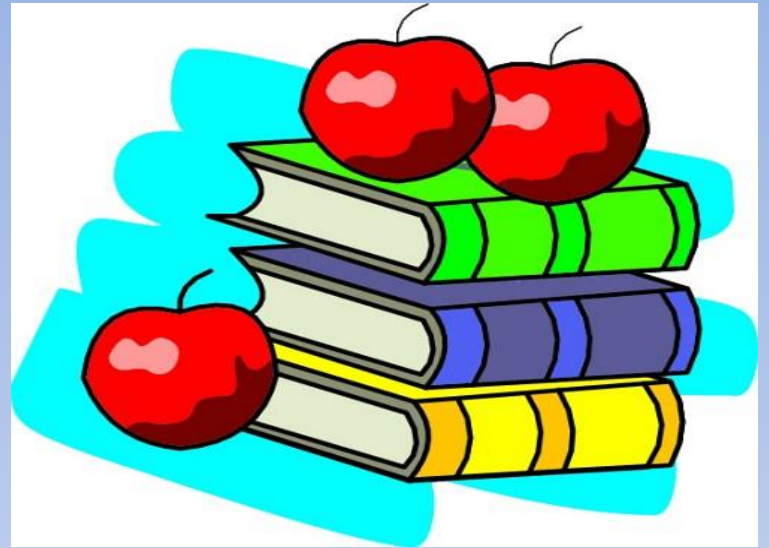
Customized Sustainable Solutions

- Mitigate Risk
- Management of Benefits
- Cost effective, long-term investment

**High Deductible Health Plans
Self-Funded Health Plans**

High Deductible Health Plans

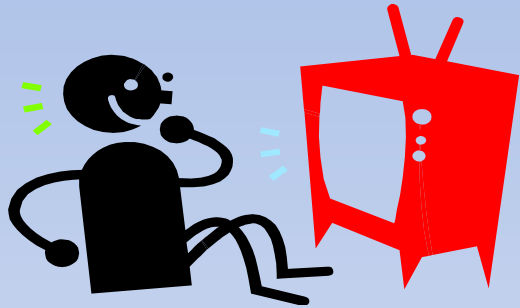




Self Funding Basics

How does Self-funding work?

A fully insured plan's fixed premium is like paying for cable . . .



. . .it doesn't matter how many hours you watch, you still pay the same bill each month!

A self-funded plan works more like your electric bill . . .



. . .there will inevitably be costs, but some are controllable, like how efficiently you use lights or A/C!



A wise consumer will pay less!

What's going on?

In the past, Employers have historically been reluctant to self-fund their health benefits.

- Limited Products
- Lack of Understanding
- Not enough Premium Savings
- Horror Stories
- Too Much Downside

In today's market, innovative products, better tools and increased cost related to ACA regulations make self-funding a viable long-term strategy for many employers looking to save money on their employee health plan.



Why Self-Funding?

- Alternative solutions
- Control and flexibility
- Consistency
- Transparency
- Efficient administration and improved cash flow
- Opportunity to win back claims dollars

The Impact of Health Care Reform

| PROVISION | Market Impact | | Funding Impact | | Employer Impact |
|--|---------------|-------------|----------------|-------------|---|
| | Large Group | Small Group | Fully-Insured | Self-Funded | |
| Employer Mandate | | | | | Delayed until January 2016; start preparing now |
| Modified Community Rating | | | | | Rating by age, tobacco, family size and geography |
| Health Insurance Industry Fee | | | | | Be aware; expected to increase premiums 4% |
| Patient-Centered Outcomes Research Institute Fee (PCORI) | | | | | Increases annually until 2019; per covered life |
| Cost Sharing Limits – Out-of-Pocket Maximums | | | | | \$6350 single \$12,700 family |
| Cost Sharing Limits – Deductibles | | | | | Vary by plan design |
| Essential Health Benefits (EHB's) | | | | | 10 Benefit Categories; First plan year on or after January 2014 |
| Metallic Levels | | | | | 4 tiers; Bronze, Silver, Gold & Platinum |
| Minimum Essential Coverage | | | | | Must be affordable |

Self-Funding for Small Groups?

- 10+ employees
- Medical risk underwriting
- Fixed monthly payment
- Opportunity for premium refund or credit
- Deficits are not carried over

The Time is Now

- Understand the key provisions of the ACA
- Review, question, amend where necessary
- Understand the employer mandate
- Outsourcing recording keeping could be an answer
- Communicate with your workforce

"If everyone is moving
forward together, then
success takes care
of itself."

- Henry Ford



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