

FBC: Taking a Group from Fully Insured to Self-Funded

Considerations Before Beginning a Self-Funded Discussion

For Sales and Service

- Allow yourself 9 months to a year run up time before the clients next renewal
- Your knowledge base and comfort level with Self-funded plan set up and plan management (specific)
 - » Utilization reports (how to read, use, convey)
 - » Keenan PBM (KPPC), Prairie States, BC/BS MN, Keenan Stop Loss (APSLC) Networks (Hereafter to be referred to as All Parties) component considerations and negotiations (stop loss, medical management, contract type)
- Go forward strategy for the specific group (your history with the group, their history with you and Self-funding or medical in general)

Available NIS Material

- Self-funded 101 guide, PowerPoint, NIS Self-Funded Advantage sell sheet, etc.
- Self-funded vs. fully insured comparison
- Quote request form
- Cost analysis
- NIS and Zywave self-funded information (NIS Way site)
- All Parties contacts

Group Characteristics

- Size 100+
- Stable utilization and claims for 3 years
- Stable enrollment
- Financial stability
- Ability to save reserves for future use
- Current plan design

How to Begin the Self-Funded Discussion with the Group

- Reference the NIS Service Model to time and document your discussion
- Recap groups fully insured current, past, and ongoing utilization and high claimant experience reports with DHA (Director of Health Plan Analytics prior to client discussion)
- Explain what self-funded is along with supporting material
- Describe who should/should not be looking at it as an option
 - » Educate (advantages/disadvantages)
 - » Give examples
- Cover Group Considerations:
 - » Ask group's knowledge/experience with self-funding
 - » Comfort level of self-funding
 - » Risk tolerance
 - » Available cash flow
 - » Ability to set reserves
 - » HR/Business Manager involvement
 - » CFO involvement (from beginning)
 - » Coverage goals/flexibility

- Discuss and agree upon taking next steps
- Relay what is needed to get a quote and why
- Compile required info (See Quote NIS RFP Checklist)

Request a Quote from All Parties Carrier Contacts

NIS RFP Checklist request form attached

- Allow 30 days to receive quotes back
- You will receive 3 separate quotes back from:
 - » Stop Loss
 - » PBM
 - » Prairie States – BC/BS MN
- Compile all quotes for stop-loss and PBM and send to Prairie States or BC/BS MN
- Allow 15 days for the compiled/completed quotes to come back from TPA

Review Quotes Received

- Create cost analysis (form attached)
- Confirm open question/clarifications with Prairie States – BC/BS MN – Keenan Stop Loss & PBM - Networks
- Review and confirm network discounts and coverage area (Geo access) – discuss with client any providers who will be out of network to determine any concerns about member disruption/complaints
- Compare quotes max/expected liability against fully insured premium and renewal
- Confirm/establish administrative cost contract terms
- Meet with All Parties for final confirmation on quotes and any open questions
- ** REVIEW SUMMARY PLAN DOCUMENT IN GREAT DETAIL WITH CLIENT AND ALL PARTIES TO ENSURE ALL HAVE A FULL UNDERSTANDING AND AGREEMENT OF CONTRACT

Final Discussion with Group

- Review and confirm network discounts and coverage area (Geo access) - discuss with client any providers who will be out of network to determine any concerns about member disruption/complaints
- Explain that changing Rx formularies almost always results in some members seeing different cost-shares on their medications. Be careful not to set the expectation that everyone's medication will be covered at the same formulary tier or everyone will save money on their medication. Formularies are always evolving – even with the current carrier or PBM
- Review/confirm if going self-funded is in the best interest of the group
- Set transition/implementation schedule (All Parties)
- Assign duties (FBC, AM, All Parties, ER)
- Develop Employer/Employee communication plan (group meetings, education/consumerism, calendared follow ups)
- Initial or scheduled discussion on enhanced management of the plan via Grand Rounds, Regenexx, Direct Path (medical cost transparency), Wellness program or vendor