



Why switch to a Self-Funded Health Plan?

Self-funding means that the employer funds the core payment method for the health claims of employees throughout the plan year. Self-funding only requires a few partners to help you create and manage a health plan on your terms:

- A Third Party Administrator
- A Pharmacy Benefit Manager
- A trusted advisor or broker

Instead of paying a premium each month, you fund the incurred claims and keep the money that isn't used.

Self-funding is about three things: control, cost, & quality.

Companies seeking more control of the cost and quality of their healthcare are prime candidates to become self-funded.

4 Key Benefits of Self-Funding



Direct control over plan coverage: you select your key partners, a Third-Party Administrator (TPA), a Pharmacy Benefit Manager (PBM), and a broker (optional), based on the goals of your business. They work with you to create a custom plan that takes your current population's health into account while relying on their expertise to prepare for the future.



Opportunity for savings: Building a high-performing, self-funded plan means you can save money. Rather than having to pay the same premium every month, regardless of claims activity, employers pay based on the actual use of the health plan. This means that if you don't use the money set aside for claims, you decide how you'd like to use it, not your health insurance company.

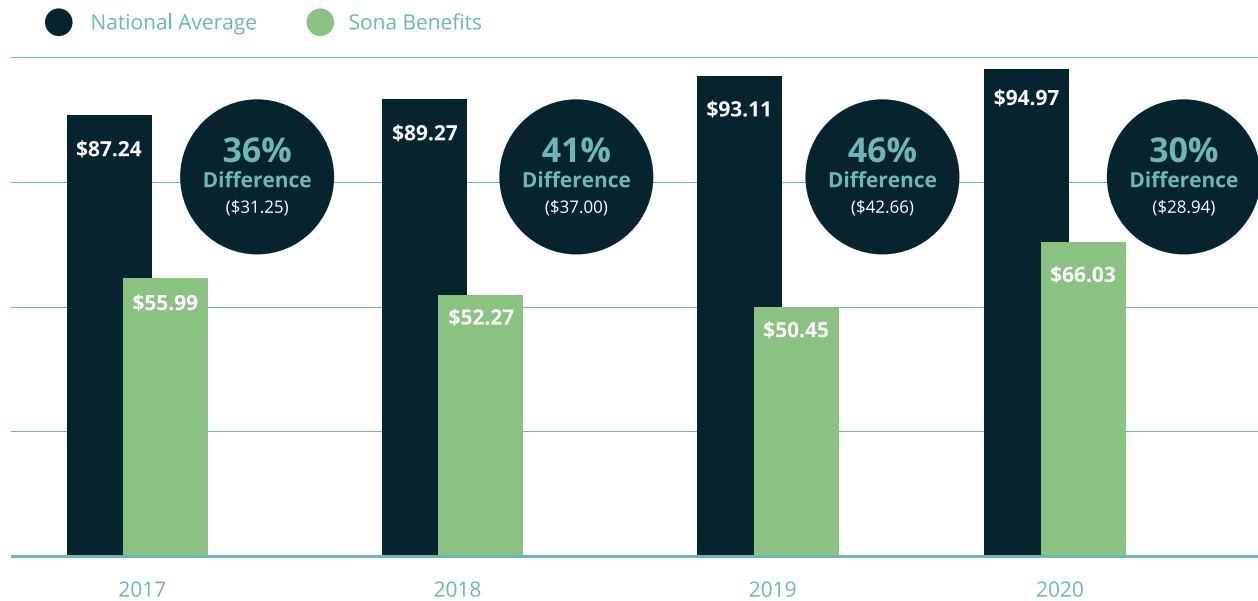


Deep insight into health and prescription claims: Actionable insights are key to a high performing health plan that actively works to keep employees healthy, which translates to more savings for the business. Self-funding allows you to play offense—not defense—when managing and implementing your health plan.



Flexibility to adapt and adjust throughout a plan year: Unlike fully insured plans that are locked in until renewal time, most self-funding partners are nimble enough to adjust mid-year if it will benefit the group.

The Average Savings our Self-Funded Groups Experience Compared to National Averages



How much does it cost?

The cost of a self-funded plan has fixed components similar to an insurance premium:

- administrative fees
- stop-loss premiums
- any other set fees charged per employee are referred to as fixed costs and are billed monthly based on plan enrollment

The employer sponsoring a self-funded plan also pays the claim costs incurred by the members enrolled in the plan, and this cost varies from month to month based on plan utilization. Stop-loss insurance reimbursements are made if the claims costs exceed the catastrophic claims levels in the policy. The total cost of a self-funded plan is the fixed costs plus the claims expense less any stop-loss reimbursements. This means, given an average plan year, a group can pay 15% less than what they pay with a fully insured plan.

How do I get started?

- Contact your Capstone Insurance Solutions Broker, Robert E. Gajoch, at (803) 673-9653 or regajoch@capstoneinsuranceavl.com.
- Educate your employees about your new plan; our team can help!
- Then, **enjoy the savings!**