



Carolina Health Alliance



A Charter Member of
Carolina Health Alliance

carolinahealthalliance.org

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*power of
engaged
thinking*



The CHA Self-funded Program provides a process for employers to establish a self-funded level premium benefit plan for their employees. The benefit plan is established by the employer and is not an insurance product. Stop-loss insurance for the plan is underwritten and issued by top rated insurance carriers.

CHA SELF-FUNDED PROGRAM

A healthcare SOLUTION

Gain control over health care expenses and **lower insurance costs by as much as 20-30%** now and for years to come. Use a self-funded level premium health plan to allow your business to pay only for the health care services your employees and their dependents actually use. If claims expenses for your group are relatively low, your overall savings can be very significant.

All CHA designed benefits are major medical plans and meet or exceed Minimum Essential Coverage (MEC) as required by the Affordable Care Act (ACA).

Self funding made easy

The CHA Self-Funded Program includes budgeting and claims management tools that make it easy for you to control your health care expenses. Your maximum self-funding cost for the plan year is determined up front — and it's guaranteed not to change, subject to enrollment and benefit changes, so you'll always pay a flat monthly bill.* The employer and employee experience is very similar to that of a fully insured plan, but the benefit of the CHA model **1) lower premiums** and **2) the return of unused claims dollars to the employer.**

* Employer may be responsible for additional applicable state or federally mandated fees.

Carolina Health Alliance brings it all together

The CHA Self-Funded Level Premium Program includes four key components:



Tools and templates to assist you with establishing and maintaining your own **self-funded health benefit plan** and **claims fund** from which your group's claims are paid



Stop-loss insurance to protect you from higher than expected claims



Plan administration by Britton Benefit Services, USA, a third-party plan administrator with more than 30 years experience in benefit plan management and administration



Unique approach with clinical **Disease State Management** targeting chronic disease to prevent potentially large claimants from decimating health plans

With the CHA Self-Funded Program, you get all of the benefits of self funding and none of the hassles — Allowing you time to focus on your business.

CHA SELF-FUNDED PROGRAM

Four Components of The Program...

The four components of the
CHA Self-Funded Program



1. Your health benefit plan and claims fund

Your self-funded health benefit plan and **claims fund** make it easy for you to fund your group's healthcare claims. The plan and the fund are owned by you, the employer, and you select the features and options that best fit your needs.

There are multiple **benefit** plan designs to choose from and customize. This offers even more options than what you might be accustomed to seeing with traditional fully insured plans.

- Your monthly payment includes a contribution to your **claims fund**. The group's claims are paid out of this fund.
- Depending on how the plan is set up, the employee may have **cost sharing requirements** to satisfy, such as a deductible or coinsurance, before claims are paid from your claims fund.
- You are protected from larger than expected claims by stop-loss insurance.
- All claims (medical + pharmacy) are managed on a daily basis to reduce claims while at the same time giving better clinical outcomes.
- Comprehensive and geographically appropriate provider networks are utilized with all plan designs.
- Best of all, if claims are lower than expected and there is money left in your claims fund at the end of the year, it's **refunded** back to the employer!



EMPLOYEE CLAIMS ARE PAID
FROM THE EMPLOYER'S
CLAIMS FUND



This plan looks and feels to the employer and employee like a fully insured plan. However, much lower premiums and a refund of unused claims account dollars allow these plans to be **affordable, viable** and **sustainable** for many years.



CHA SELF-FUNDED PROGRAM



2. CHA stop-loss insurance

Your group's claims are paid out of your claims fund, which is funded with a portion of your monthly payments. But what happens if claims are larger than expected?

CHA **stop-loss insurance** protects your business assets against larger than expected claims — with direct payments into your claims fund — if claims for the plan year exceed pre-determined levels called *stop-loss limits*.

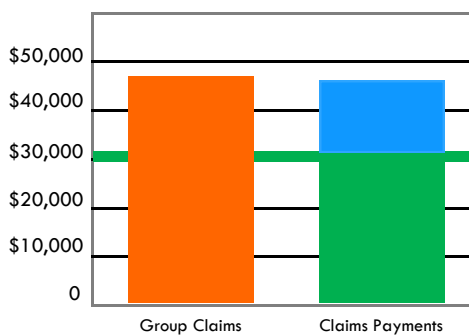
Stop-loss insurance also advances money to your claims fund if the claims for any given month exceed the claims fund available balance.

There are two types of stop-loss benefits - Aggregate and Specific.

Aggregate stop-loss coverage

The aggregate stop-loss coverage protects you against higher than expected claims incurred by your **group** as a whole. The **aggregate limit** is equal to your total contribution to the claims fund for the plan year. It's calculated based on a census of your group and takes several factors into account, such as the number of members, their ages, genders, etc. It is based on the total expected claims for the plan year for all group members.

If the group's overall claims for the plan year exceed the aggregate limit, CHA stop-loss insurance covers you, via a deposit into your claims fund, for the cost of your group's claims for the remainder of the plan year.



Aggregate Stop-Loss Example

This group has an aggregate limit of \$30,000, indicated by the green line. Claims are paid from the claims fund (green). If the group's total claims for the plan year (orange) exceed the aggregate limit, stop-loss insurance covers the employer for the plan's claims costs for the remainder of the plan year (blue).

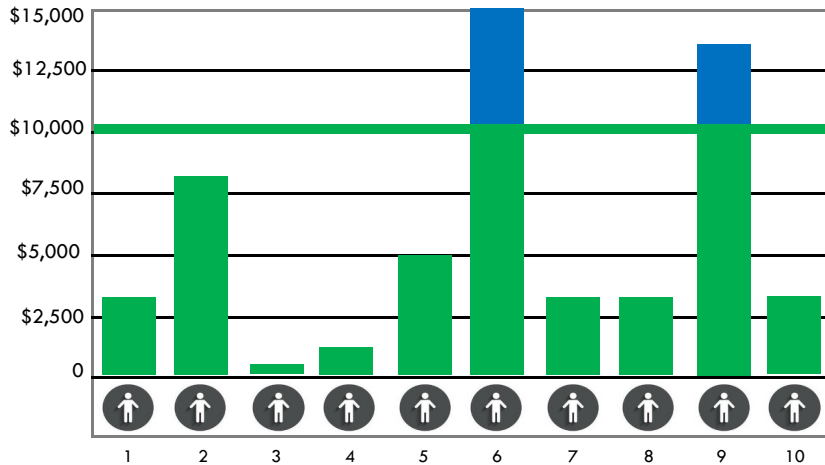
All examples are for illustration only.

This brochure provides summary information. Please refer to the stop-loss policy or ask your agent for a complete listing of stop-loss benefits, exclusions and terms of coverage. In the event that there are any discrepancies with the information in this brochure, the terms and conditions of the stop-loss coverage documents will govern. Stop-loss insurance is underwritten and issued by top rated insurance carriers.

Specific stop-loss coverage

The specific stop-loss coverage protects against higher than expected claims by an **individual** member. If an individual member's claims exceed a preselected level called the **specific limit**, CHA stop-loss insurance covers this individual for the remaining portion of that member's claims for the plan year, via a deposit into your claims fund.

The specific limits available are \$10,000, \$15,000, \$20,000, \$25,000, \$30,000, \$40,000 and \$50,000 levels (varies by state). The specific limit is determined by factors such as number of employees to be covered, health plan benefit design, etc.



Specific Stop-Loss Example

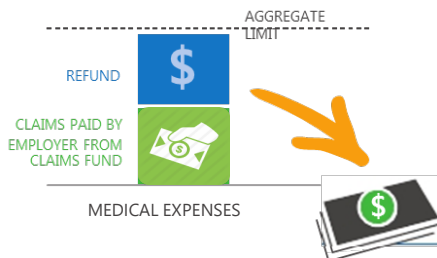
This employer has selected a specific limit of \$10,000 for each employee, indicated by the green line. 10 of the group's members incur claims during the plan year, and the claims of two members (#6 and #9) exceed the specific limit. The employer's claims fund pays up to \$10,000 per employee (green), and stop-loss insurance covers the employer for employees' claims above \$10,000 (blue) for the remainder of the plan year.

You will not pay more than you have budgeted - Level Premium!!

Refund potential!

If your group's overall claims for the plan year are less than your aggregate limit (equal to your total claims fund contributions for the plan year), the difference is refunded!

Note that there is a 6 month run-out period that begins at the end of each plan year. This allows for claims from the previous plan year to be processed. The refund is paid at the end of the run-out period.



This group has a specific limit of \$10,000 and an aggregate limit of \$30,000. Even if an individual group member exceeds the specific limit, if the group's overall claims are less than the aggregate limit, the business receives a refund.

Many of our self-funding employers receive a refund!

CHA SELF-FUNDED PROGRAM



3. Plan administration

Your plan is managed and administered by our trusted third party administrator, Britton Benefit Services, USA (BBS) with more than 30 years of experience in benefit management and administration services.

- BBS manages your claims payments, accounting, customer service and more.
- BBS offers extensive online services and monthly reports that make it easy for you and your employees to access information about your plan.

Britton Benefit Services takes care of the administration for you — so you're free to focus on your business.

Simplified billing

Britton Benefit Services simplifies your billing, too. One flat monthly payment* covers everything — your claims fund contributions, stop-loss insurance premium and administrative services.

That bill is guaranteed not to change, subject to enrollment and benefit changes.

*Employer may be responsible for additional applicable state or federally mandated fees.

Britton Benefit Services can also administer tax-advantaged options

- **To get the tax advantages of HSAs, select an HSA-qualified plan.** With an HSA, your employees have their own tax-favored savings accounts to save for qualified medical expenses.
- **An HRA gives you tax advantages and control over cash flow no matter which plan you choose.** With an HRA, you directly reimburse employees for a predesignated portion of their qualified medical expenses.
- **A Premium Only Plan (Section 125 Plan)** allows employees to pay health insurance and other eligible premiums with pretax dollars and saves you money on the FICA payroll tax match.

CHA is not engaged in rendering tax advice. Please see a qualified tax professional for tax advice.



4. Disease State Management

Approach:

- Developing clinical consultation for members that have chronic conditions
- Tailoring drug therapy for optimum outcomes both financial and clinical
- Monitoring adherence and compliance to treatment plan
- Steering utilization to lowest cost clinically proven successful treatment

Goals:

- Healthy outcomes for members
- Lower healthcare cost / Eliminate unnecessary hospital admissions
- Reduce absenteeism
- Improve productivity

Contact Information



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ADVANTAGE

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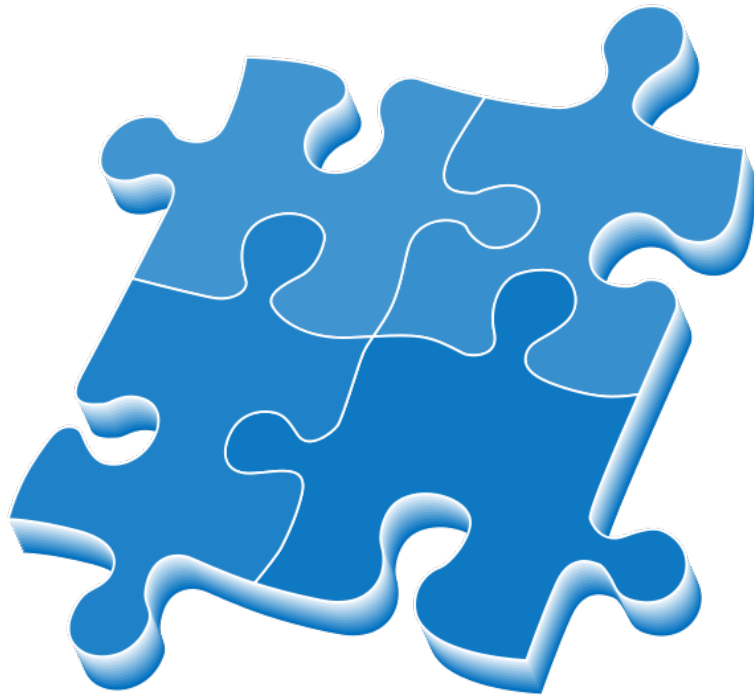
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“Think”



Develop Unique and Customized
Solutions to Healthcare

Reinventing Healthcare



*Insanity: Doing the same thing over and
over again and expecting different results*

Albert Einstein