



# Self-insured solutions for employers of all sizes

# Providing choice, flexibility, and savings

Self-insured plans are no longer just for large groups. Many employers are considering a shift to self-insured medical plans as a way to better manage health care costs. If you're thinking about a self-insured option, Medica has a variety of solutions for groups of all sizes.

With a self-insured plan, employers have more control over their health benefits and can minimize their short and long-term plan expenses. In addition, taxes and assessments are significantly lower than a fully insured plan.

## Self-insured options



### TRADITIONAL

Many large employers, generally with more than 100 eligible employees, choose to self-insure with Medica. We offer significant flexibility in plan design, product and provider network.



### TRADITIONAL WITH MODERATE RISK APPROACH

Employers with more than 40 or more subscribers have the option to include the Moderate Risk Approach, which includes a one or two-year aggregate and stop-loss commitment and funding approach, that brings predictability to monthly claim costs. When claims are higher than expected, employers receive an advance from Medica to cover the additional expense. These advances are then returned to Medica when claims experience is favorable. And when claims are lower than expected, employers benefit from a favorable cash flow surplus.



### MAXIMUM LIABILITY

Employers with enough eligible employees can also self-insure with Medica. With similarities to a fully insured plan option, employers get the benefit of predictable monthly payments offered through a choice of plan designs.

## About self-insurance

With a Medica self-insured plan, employers are responsible for their claims costs. In addition, employers pay a monthly administrative fee to Medica for services including claims processing, customer service, network, pharmacy and health management programs. Employers are also responsible for paying the PCORI (Patient-Centered Outcomes Research Institute) fees. This is different from fully insured plans where the monthly premium paid by the employer covers all health plan costs.

Most self-insured employers choose to purchase stop-loss insurance. Stop-loss insurance offers protection from unpredictable plan losses and minimizes overall financial risk.

- **Specific stop-loss insurance** provides protection against unpredictable or catastrophic claims on any one individual.
- **Aggregate stop-loss insurance** provides a maximum on the total dollars paid by the employer during a contract period.

## Fully Insured and Self-insured Plans. What are the differences?

If you're new to self-insurance, there are several differences from a fully insured plan, including:

	FULLY INSURED MEDICAL PLANS	SELF-INSURED MEDICAL PLANS
<b>Costs</b>	Paid as a fixed monthly premium	Large group self-insured - Payment of monthly administrative fee (fixed costs) and claim costs, stop loss premiums (fixed costs) and weekly claims (variable costs)  Small group maximum liability - Payment of all monthly fixed costs, which include pre-funded monthly aggregate claims liability, administrative fee, and stop-loss premiums
<b>Regulatory Oversight</b>	State	Federal
<b>Regulatory Compliance</b>	Shared responsibility between Employer and Medica	Employer responsibility
<b>Plan Privacy</b>	Shared responsibility between Employer and Medica	Employer responsibility
<b>Claim Appeals and Reviews</b>	Medica	Employer appoints Medica to serve as named claim and appeals fiduciary

## Compare our Self-Insured Options

Understanding the differences between each option will make it easier for you to choose the plan that best meets your needs.

	TRADITIONAL	TRADITIONAL WITH MODERATE RISK APPROACH	MAXIMUM LIABILITY
<b>Group size</b>	100+ eligible employees	40 or more subscribers	5 to 50 employees
<b>Service area</b>	IA, MN, ND, NE, SD, WI	IA, MN, ND, NE, SD, WI	IA, MN, ND, NE, SD, WI
<b>Plan designs and benefits</b>	Customized plans designs. Multiple plans can be offered	Choose from several plan designs. Up to 6 plans can be offered	Choose from several plan designs. Up to 6 plans can be offered
<b>Networks</b>	Varies by state	Varies by state	Varies by state
<b>Health and wellness programs</b>	Includes My Health Rewards by Medica®, health management programs, and health and wellness resources. Medica Optum® Employee Assistance Program (EAP), and additional My Health Rewards programs are available at an additional cost where applicable.		

Medica provides employers with choices that can positively affect overall health care costs. Let us help you make important decisions about your health plan offerings.



# Questions? Contact us.

Monday, Tuesday, Wednesday, Friday from 8 a.m.-5 p.m.  
Thursday from 9 a.m.-5 p.m.

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## Learn more about the responsibilities of self-insurance through these resources:

Employee Benefits of America: [Ebia.com](http://Ebia.com)

Self-Insurance Institute of America: [Siia.org](http://Siia.org)

The ERISA Industry Committee: [Eric.org](http://Eric.org)

The National Business Group on Health: [BusinessGroupHealth.org](http://BusinessGroupHealth.org)