



Frequently Asked Questions:

Self-funding: Protecting Cash Flow When It's Needed Most



How much extra work would this type of plan be for my HR/Benefits person?

There is additional work in the beginning in terms of deciding what plan designs to offer, how employee contributions are structured and understanding the financing component. The plus side is that you can customize your benefit plans to meet your needs and create a contribution structure that makes sense based on the plans. Once these decisions are made, the plan runs very smoothly and should be no additional work.



If I want to look at how this model would work for my company, how do I start? Do my employees need to fill out health applications?

We can get you an illustrative quote prior to your renewal or quote this option with your upcoming renewal. We would need a census, plan designs, rates and any claim experience/reporting available. Health applications aren't required but may sometimes help get better numbers if there is limited claim experience.



What protection do I have if my claims are high during the year?

Your specific stop loss covers you for any individual found with larger claims. Claims above the deductible you choose are funded by the carrier. You don't pay the claims above that amount and wait to be reimbursed.

There is also a cash flow regulator built into the aggregate coverage (covers all your claims for your group as a whole under the specific deductible) so that funds can be advanced by the carrier during the year if your claims are running high. Any funds advanced will get reconciled against the contract at the end of the contract.



Do I have any additional liability with this model?

The plan document is a legal document that governs the plan and how claims are paid. HealthEZ will follow that plan document and make the claim paying decisions on your behalf. You do not have any additional liability under this model.

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Have the stop loss carriers been flexible in covering claims for furloughed employees throughout the pandemic?

Yes, they have been willing to work with all our clients who have needed an additional grace period to pay premiums and have agreed that all employees will continue to be covered under the plan even if they are not working 30 hours a week temporarily. This is another example of the flexibility afforded in this model.



I have employees in 3 different states and currently have separate policies for them. Am I able to combine these into one self-funded plan?

Yes, one of the benefits of self-funding is that you can offer the same benefits for everyone. These plans fall under ERISA and are not subject to each state's mandates.



What networks would be available for my employees? I'm familiar with the big insurance companies. What does HealthEZ offer?

HealthEZ has a proprietary PPO network, America's PPO that covers MN/ND/SD and most of Wisconsin. They contract with all the major health systems and compete well with the carrier network. Additionally, they lease regional and national networks throughout the U.S. to provide the best network solution for employees no matter where they reside geographically.

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