



## Supplemental Health Plan Concept

Statistics show that 80% of your insured group will use the medical plan for nothing more than wellness and sickness care. If your employee population is mostly single and generally healthy, this percentage could be lower. If your plan is fully insured, this typically low percentage of usage by the employees means that a large part of the premium you've been paying was unnecessary. The ideal solution is to not insure the known everyday events like checkups and sickness visits. Instead, purchase insurance just for catastrophic events and pay the routine wellness and sickness costs that the employees incur from a savings pool. We call this approach a Partially Self Funded Supplemental Health Plan.

The first step in establishing a Supplemental Health Plan is to consider the claim potential of your group. If your group is generally healthy and seems to maintain good health on a consistent basis, the assumption is that claim costs will be low. The core plan providing the insurance protection is a high deductible plan with 100% coinsurance. Physician office visits and prescriptions are covered after employee-paid copay or shared percentage. These claim costs are the responsibility of the insurance carrier, not the plans.

The next step is to review our proposal. For groups larger than ten, we utilize a Third Party Administrator to process your claims and provide you with monthly activity reports. For groups smaller than ten, we offer a free self administration program. We select the most competitive fully insured product to protect your exposure and provide you with three different benefit schedules to choose from. If the Expected and Expected High plan costs are competitive compared to other options you may be considering, the implementation process is all that remains. The reduced premium rates coupled with special features of the coverage and more cost efficient administration are what make the program completely feasible.

Supplemental Health Plans are very popular but they're not for everyone. In a group of ten, just two large claims could eat up all the expected savings. Fortunately, the plan uses a fully insured product, which guarantees you the freedom to exit out of the program if it suddenly loses its appeal.