Own Your Own Health Plan

A Better Way to Manage Your Company's Health Insurance

knudson
BENEFITS GROUP

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INTRODUCTION

What is your company's largest expense?

Outside of payroll, health insurance is likely the most expensive thing your company pays for. Since this is such an expensive and important part of your business, it should be one of your top priorities to make sure you are managing this plan in the best way possible.

Many employers feel the only way to keep their costs down is to bounce around from one insurance company to another every few years. And while this might work for a time, it leaves your employees feeling frustrated and confused about their benefits.

There is a better way. This guide will give you a clear path toward a better insurance plan.

The way you manage your company's health plan is a lot like the decision you make when finding a place to live. Many will ask: "Is it better to rent or own your home?" Most businesses today are "renting" their health insurance plan and they don't realize that Owning Your Own Health Plan is a much better solution. There are a lot of different health insurance plans in the market today. All plans can be classified as one of three types:

- Fully Insured Health Insurance
- Level-funded Health Insurance
- Self-funded Health Insurance

We will compare each of these plan types to the different ways you can manage your home.

First, we'll explore how one approach to health insurance is similar to renting a home. Next, we'll look at how other plans are similar to buying a home in a gated community. Then, we'll compare the benefits of owning an existing home vs. building your own custom home.

> **"Ultimately, you'll see that Owning Your Own Health Plan will bring you more transparency, creativity, control, and most importantly, lower costs."**

TYPES OF HEALTH INSURANCE PLANS

1. **Renting Your Health Plan (Fully Insured Health Insurance)**
2. **Buying a Home with an HOA (Level-Funded Health Insurance)**
3. **Owning Your Own Health Plan (Self-Funded Health Insurance)**

1. Renting Your Health Plan
Fully Insured Health Insurance

Fully insured health insurance is comparable to renting a home.

Many newly married couples begin their life together by renting an apartment or home. The landlord sets the rent amount that must be paid each month. In exchange for this rent payment, they commit to provide a safe living space and will step in and help with any issues or concerns that come up.

Within a few months, the toilet is running, the swamp cooler isn't blowing out cold air like it used to, and you're finding mice droppings in the dark corners of one of the rooms. As a renter, all you have to do is call the landlord and they take care of everything. This renting arrangement seems really nice at first! But then your lease is due, and your landlord increases rent to an uncomfortable price. They aren't required to explain why or give reasons for the increase. Some landlords increase rents just because they can. They know that other rentals in the area are charging more so they might as well increase rent to keep up.

Fully insured health plans function in the same way. The insurance company gives you a quote. You decide if the premium is fair and you pick up the plan. The next year, the price goes up 8% without any real reason given. Often the excuse is "trend," meaning healthcare costs continually rise so they need to charge you more premium rates just to keep pace.

> **"When you are renting your health plan, you don't have any control or transparency to help you see what's really happening."**

Other times they will explain that your claims are pooled with other companies' claims in the area and that while you might have had a good claims year this year, there were other companies that had high claims. Due to these high claims, the increase is necessary because the pool experienced high utilization overall.

They go on to explain that this method of pooling is actually a good thing because when you have a bad claims year, the pooling method will make it so your renewal isn't as bad. Then that bad claim year comes and you're handed a 30% increase.

So much for that logic.

The point is that when you are renting your health plan, you don't have any control or transparency to help you see what's really happening. More importantly, it seems there's nothing you can do about it.

Components of a Health Plan

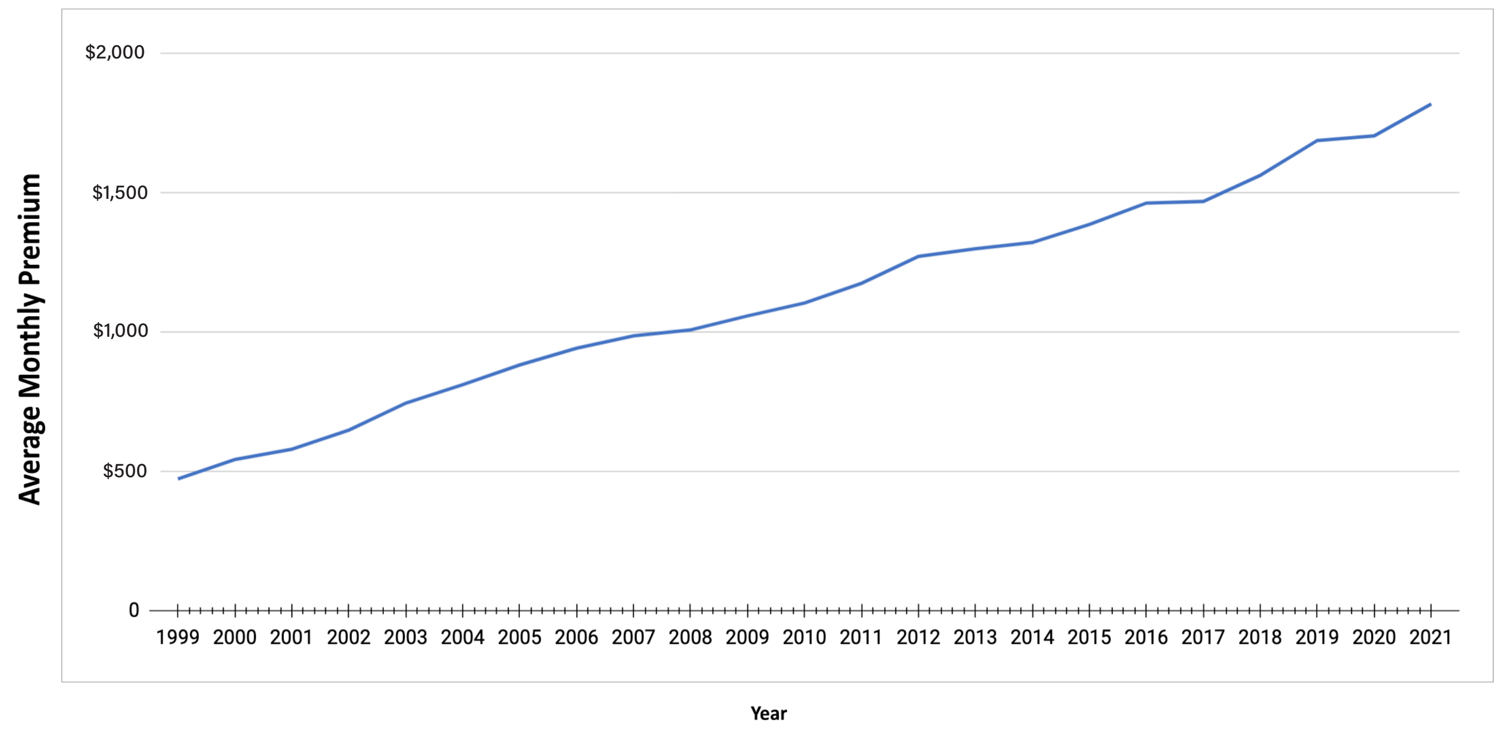
To help you better understand your other options, it's important to understand how health insurance is built.

Many don't realize that your health insurance plan is made up of many separate components. When you are renting your health plan,

you don't realize this because the insurance company has pre-packaged everything together for you. As we consider other ways to manage your health plan, you will need to know about the four main components of health insurance:

A. Network
B. Claims Administration
C. Stop loss insurance
D. Pharmacy

The Rising Cost of Health Insurance



A. NETWORK

The most visible part of your health plan is the network. In fact, some people mistake the network with the insurance company. This is easy to do because some insurance companies own their own network and are often called by the same name. Other insurance companies lease a network without owning it and it has a separate name. The network component of your insurance plan dictates which doctors, hospitals, and clinics are available for use.

If you are renting your health plan, you don't have a choice as to what network you offer your employees. The insurance company has made that decision for you and offers their network to all participants on their plan.

This can be the source of a lot of frustration as you move from one rental arrangement to another as changing to a new insurance company most often means you are changing to a new network of doctors and hospitals, too. When you Own Your Own Health Plan, you have more flexibility with this part of your plan. More on this later!

B. CLAIMS ADMINISTRATION

The first thing you do when you go to the doctor's office or the hospital is give the front desk your insurance information. The doctor's office makes note of your policy details, keeps track of the treatment and procedures performed, and then sends this information over to your insurance company. They use industry standard coding processes to communicate what treatment was provided to a patient. Once they get all of the notes and codes from your doctor's office, your insurance company processes all the paperwork and sends the correct payment to the provider.

This claims payor or administrator is another component of your plan. If you are renting your health insurance plan, the claim administrators are likely employees of that insurance company. Other types of health insurance outsource this function to another company called a Third-Party Administrator (TPA). Their job is to take the information that the doctor's office gives them, figure out how much they need to pay, and then send out payment to the providers. These administrators consider the contractual agreements of the network as well as the details of your specific plan and benefits to figure out how much they need to pay out.

These administrators are usually the people you speak with when you call a customer service number at an insurance company. Often, we get frustrated with insurance companies that make claim payments difficult. Getting mad at the administrator is actually quite unproductive, because their hands are usually tied. They can't change the network arrangements, nor can they change your policy language. They also can't change the codes that your

doctor's office used when filing your claim with the insurance company. They are forced to process claims the way they have been given to them.

So, while most health insurance companies hire internal claim administrators, you need to realize it is a separate component of your plan. While you don't have any flexibility in choosing which claims administrator you use on a rented health plan, when you Own Your Own Health Plan, you have complete control over who administers your claims.

C. STOP LOSS INSURANCE

The next component of your health plan is stop loss insurance. It also can be called Reinsurance. Think of it as insurance protection for insurance companies. What do insurance companies need to protect themselves against? They are required to carry a certain amount of money in reserves. Healthcare treatments can get very expensive, so they protect themselves against two possible scenarios:

1. They need protection if one of their members incurs extremely high costs.

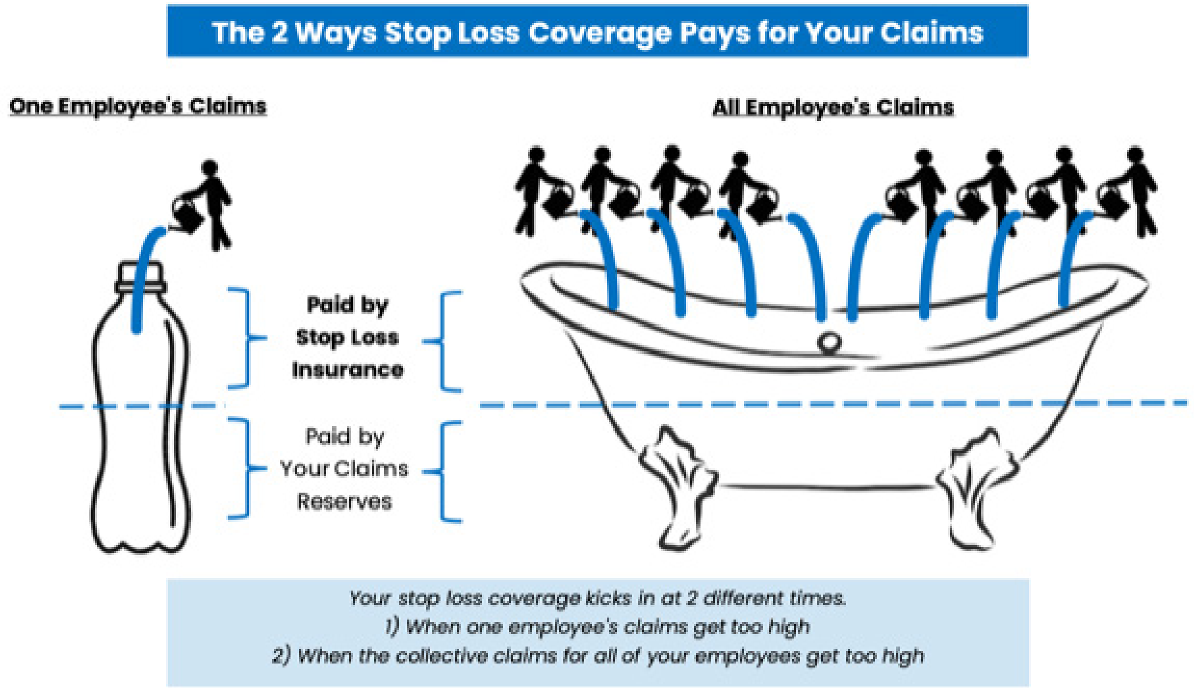
2. They need protection in case all of their members collectively spend more than anticipated.

The insurance company charges you, the client, a premium each month and sets aside a portion of this premium in their reserve account for claim payments. They purchase stop loss insurance so that if any one person's claim gets too high, the stop loss pays the rest. This helps the insurance company keep their reserve account from getting wiped out from one person's high claims.

This stop loss protection also kicks in if a lot of people collectively use the plan too much. It may be that each individual's claims were below the individual stop loss amount, but collectively it adds up to uncomfortable levels. Stop loss will kick in to pay for claims that exceed this larger limit.

The other portion of the premium you pay an insurance company goes toward paying fixed expenses. Your insurance company pays a premium each month for this stop loss insurance protection. As you can expect, these stop loss insurance companies charge higher rates to insurance companies that have higher claim activity. One reason your insurance rates go up every year could be that the insurance company you are using has increased stop loss rates that they now need to pass on to all the renewing members on their plans.

When you are renting your health plan, you don't have any control over what stop loss you use. When you Own Your Own Health Plan, you'll see that your stop loss coverage is a separate component of your plan that can be independently shopped and managed.



D. PHARMACY

The way our healthcare system works to get us the prescription drugs we need is surprisingly complex. You'd think it wouldn't have to be so difficult.

If we compare it to anything else you can buy at a store, you'd assume it should work the same way. For example, a company develops a new and tasty cereal. They create the product, box it up, and send it to retailers who place it on their shelves where customers can buy it. We pay the retailer who gets to keep some of our money for themselves, but then passes most of the money back to the manufacturing company. Easy!

The system surrounding the pharmacy supply chain is a lot more complicated. The reason, in part, is because you have different players in the supply chain to get prescription drugs to the consumer. In addition to the manufacturer (the drug company) and the retailer (the pharmacy), we also have insurance companies and pharmacy benefit managers involved.

Insurance Companies

Your insurance company muddies the water because they can make certain drugs cost more or less to you the consumer. Likely, you've noticed that your plan has different lists, or tiers, of pharmacy drug coverage. For example, you might have a tier 1 copay of $10 for all generic medications. If it's a brand name drug, it likely falls to a tier 2 copay that is a little higher than tier 1. Tier 3 drugs are usually the ones you see advertised on TV. These drugs cost more so they get assigned a higher copay. Tier 4 drugs are usually very expensive. These drugs are often administered in a hospital through an injection. You will pay the most for a tier 4 drug.

Both layers of protection work to keep an insurance company's reserves intact. It's important to understand that your copay charge may or may not reflect the true cost of the drug. The pharmaceutical company knows the drugs that cost consumers less will be purchased more than drugs at higher price points. They want to make it easy for consumers to buy their drug, so they are always trying to get placed on a lower cost tier. That's where rebates come in. To get their drug to be placed in a more favorable tier or category, the pharmaceutical company will pay a rebate—similar to a bonus—to the insurance company if they agree to bump their drug to a lower cost tier. The unfortunate result of this process is that drug costs go up as pharmaceutical companies feel pressure to pay higher and higher rebates.

Pharmacy Benefit Managers

Insurance companies aren't the only ones that receive rebate kickbacks on pharmacy drugs.

There's another group involved in this mix called a Pharmacy Benefit Manager (PBM). Their job is to negotiate the cost of drugs with the pharmaceutical companies. In theory, this should work to the advantage of the consumer, which it certainly does in some cases. But, when you consider that pharmaceutical companies have to raise their total prices in order to pay high enough rebates to the PBM and insurance company, you might start wondering just how much good these PBMs are doing.

The other thing to consider is that not all customers have the same type of health insurance. Some have coverage with low dollar copays that apply when they fill prescriptions at the pharmacy, while others have plans with large deductibles and out-of-pocket maximums that apply first before the insurance coverage kicks in. People in this category are stuck paying much higher prices and are adversely affected by the practices of insurance companies and PBMs.

If you are renting your health plan, these rebates are extra profit to your insurance company. Owning Your Own Health Plan allows you to recapture rebates yourself so you can use them to pay future claims.

2. Buying a Home with an HOA
Level-funded Health Insurance

Have you ever owned a home inside a gated community?

This concept can be attractive to some as it is certainly a step up from renting a home; however, it's different than outright owning your home because you are bound by the rules and regulations of the Home Owners Association (HOA). The HOA is put in place to make and enforce rules within a neighborhood. They are commonly found inside planned communities or gated communities.

HOA rules can be surprisingly strict, dictating what color your house is or what kind of plants you use in your yard. Restrictions may also include how late you are outside, how loud you are, and whether you can park cars on the street in front of your house. They can even fine you for putting up your Christmas lights too soon!

7 Unbelievable HOA Restrictions

- No blue trampoline covers
- Dress code at all garage sales
- Remove holiday decorations
- after 3 days past the holiday
- Trashcans can't go out on the street
- until 11:59 p.m. on the day before trash day
- Grass cannot be longer than 4 inches
- All houses must have 1 brick in their façade
- Garage doors must not be left open
- for more than 5 minutes

This type of home ownership is comparable to the experience you might have if you purchase a level-funded health insurance plan for your employees. With this type of plan, you are granted a little more visibility into your employees' claim activity. The insurance company will start to show you how much of your premium was used toward pharmacy, hospitalization, or office visits. This data is often presented to you in a dressed-up manner with bars, graphs, and fancy charts meant to give you some of the transparency you desire. However, when pushed, these insurance companies will keep you from seeing all of your data making it difficult to see the whole picture.

Another benefit to going with a level-funded plan is being able to customize parts of your plan. This is a nice change from the strict plan designs you are forced to live with in the fully insured world, but you are limited to the flexibility allowed. You will need to get approval for certain kinds of plan changes and you may find your request has been denied because the insurance company decided you can't make your plan function like that. They may say you can't offer multiple plans or that the plans you want to offer are too different from one another. The insurance company still governs the way these plans look and operate and will still dictate what is approved or denied.

The best thing about level-funded health plans is that the price is based on your health, not only employee age and family size.

"Rented" fully insured health insurance for companies with fewer than 50 employees is typically set up with age-banded rates. Moving to a level-funded health plan can lower a small employer's rates by 20% to 30% if all of their employees and their dependents are healthy. That said, there are still some different games the insurance company plays behind the scenes to increase their own profits.

There's nothing wrong with making a profit, but we advocate that the insurance company should be more open and transparent about how they are making money and how much of it they are keeping.

Another benefit to level funding is that after a good claims year, you get a portion of the unused premium refunded back to you. The insurance company will disclose how much of your premium is left over and often split the difference with you. The split is usually 50/50 or 60/40. Those that are new to the level-funded health plan find this premium refund to be extremely satisfying. If you are lucky, you might get a premium refund every year. Inevitably, as time passes, you start crunching the numbers and realize that while getting 40% or 50% of your leftover money back is nice, getting 100% back would be much better.

While it is technically considered a type of self-funded health Insurance, level-funded health plans operate a lot more like fully insured health plans and often leave you feeling like you are being taken advantage of or that there must be a better way.

> **"While getting 40% or 50% of your leftover money back is nice, getting 100% back would be much better."**

3. Owning Your Own Health Plan
Self-funded Health Insurance

If you decide renting a home was too restrictive and felt the gated community with an HOA fee wasn't the best fit for you either, you might be best served going out and purchasing your own home. So, you head out and find a neighborhood you like and locate two possible options:

Option 1: Purchase an existing home.
Option 2: Purchase the empty lot down the street and build a custom home.

Both options are improvements from your other choices, but it's important to consider the differences between the two before making a final decision. For example, purchasing a home that has already been built means you will likely have things you just have to live with. Of course, remodeling is an option, but there are certain things that even remodeling can't change.

We call it Owning Your Own Health Plan. The technical term is a **self-funded health plan.** You may also hear the term partially self-funded health insurance. In most cases, these are really the same thing. It's important for you to understand this: **not all self-funded health plans are the same.** Just like purchasing an existing home comes with an under-standing that there might be some aspects of the home that you can't change, some self-funded health plans come with certain parts of the plan that are non-negotiable. For example, you might not be able to choose a different Pharmacy Benefit Manager (PBM) or a different network of doctors and hospitals. You might not even be able to shop for different stop loss insurance coverage.

Frankly, some self-funded health plans operate more like level funded or even fully insured health plans, leaving you frustrated that you can't make your home exactly the way you want it. To stick with the analogy, your request for a permit to remodel your home has been denied! Often the reason for this unwillingness to allow for changes within your plan is a sign that the insurance company has hidden revenue streams all throughout their plans.

> Ultimately, Owning Your Own Health Plan brings you more transparency, creativity, and control than you have ever had before.

BUILDING YOUR CUSTOM HOME

There's nothing like building and living in a custom home. Some call them dream homes because the homeowner gets to plan out every square foot of their home making it exactly the way they want. They decide how many rooms it has, how big each room is, and how tall the ceilings are. They decide what all the finish work looks like from paint color, to carpet style, and the type of wood and stain used on the cabinets. You can even go down and pick the exact slab of marble or granite that you use for your countertops. Anything is possible when you are building your own custom home.

This is how we work with health insurance. We help companies build their own health plan. A custom plan that functions exactly how they want it to. We start by finding a network that suits their needs and from there shop out the stop loss insurance with more than 30 different insurance companies until we find the one that provides you with the best coverage at the lowest possible price. We partner with only the best Third Party Administrators (TPAs) that provide you and your employees rapid claim payment and helpful customer service. We have dozens of different Pharmacy Benefit Managers (PBMs) to consider and can plug and play any one of them at any time.

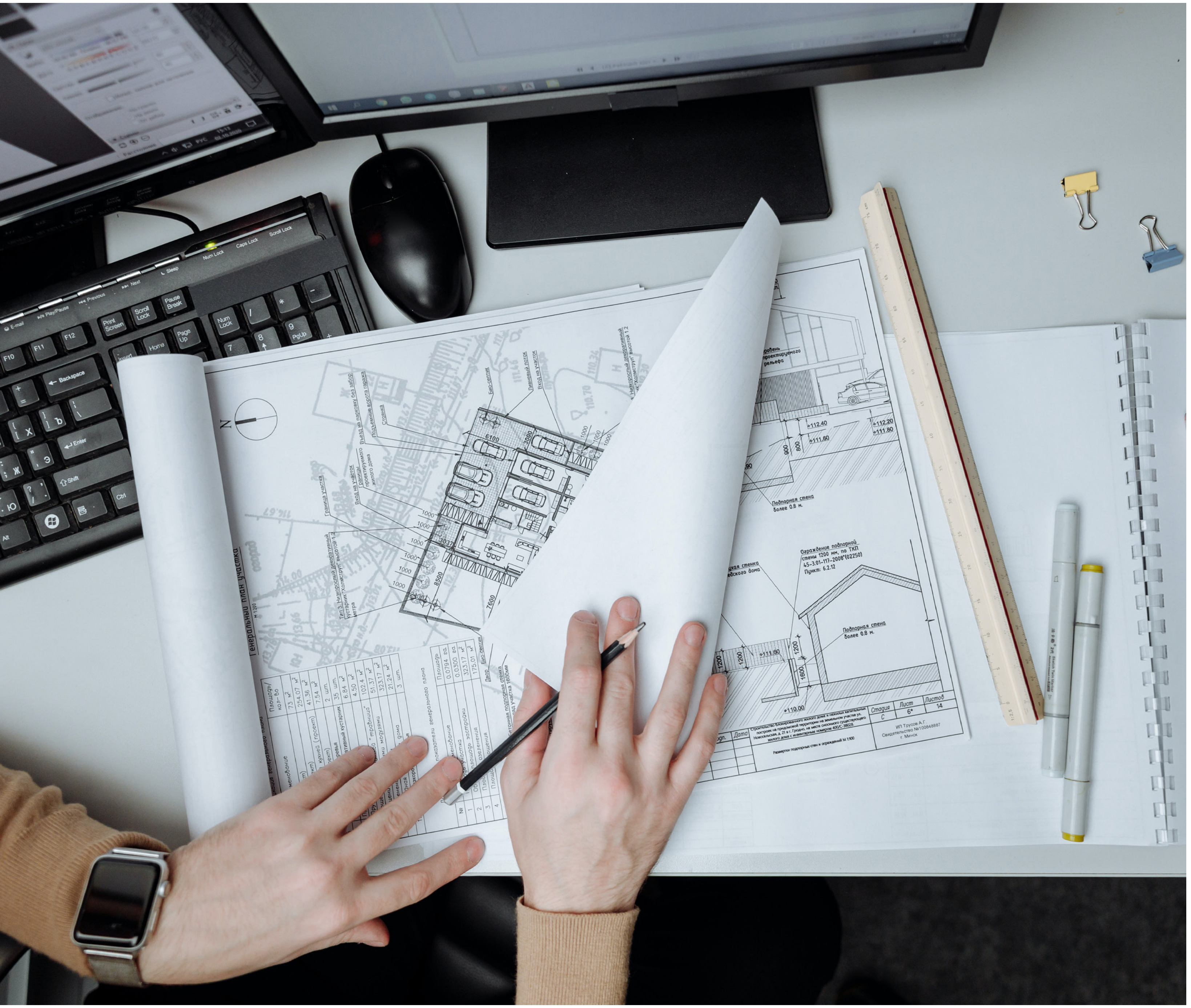
To top it all off, we can add many different functions and features that range in purpose from giving you added protection to enhancing the usability or function of your plan.

Another benefit of building your own custom health plan with us is that you will have 100% transparency on all of the costs associated with your plan. Not only do we show you the different costs associated with the different parts of your plan, but you will also have full access to all of the claims data. You will know exactly where every dollar is going and have robust reporting tools that will show you trends in real time so you can forecast for the future as well as get ahead of any major problems looming on the horizon.

What if everyone's claims come in lower than expected and there is unused premium at the end of year? The other nice thing about Owning Your Own Health Plan is that unused premium doesn't need to be refunded to you, because the money set aside to pay claims is always yours. So, you always get to keep 100% of any unused premium.

Ultimately, Owning Your Own Health Plan brings you more transparency, creativity, and control than you have ever had before. Also, insuring your employee's health this way will eliminate hidden revenue streams and undisclosed insurance company profits leaving you with the lowest possible price for your health insurance.

BENEFITS OF OWNING YOUR OWN HEALTH PLAN



1. TRANSPARENCY

If you Own Your Own Health Plan, you are entitled to full transparency of that plan. This will be new to you if you haven't gone through it before and it can take time to acclimate yourself to all this new access. For starters, we will be able to dissect your monthly premium and help you see the different numbers and factors that make up that premium. In basic terms, your premium breaks up into two pieces: fixed costs and variable costs.

There are a number of different things that make up the fixed cost portion of your premium. Every little piece of your plan comes with a different cost. The (TPA) has a fee that they charge for their administration as will your broker and your COBRA Administrator. Another portion of fixed costs are for your stop loss insurance. The network you choose for your plan also has a fee and so does your Pharmacy Benefit Manager (PBM). By having full transparency with your plan, you are able to view each component of your plan on a stand-alone basis and if you feel you are over-paying for one of these services or items, you can address that by taking different components out to bid. Shopping your plan out in this way ensures that you are getting the very best price for the services you are using.

The other part of your premium is a variable cost. It is the money set aside for the payment of claims. This number, as you can imagine, can fluctuate a lot. You'll have good years where you spend well below what is anticipated and other years where you spend a lot more than you thought. The challenge then is to set aside enough money to confidently pay for the incurred claims. This is the objective of every health plan, no matter the type.

> **When you Own Your Own Health Plan, you are the one that stands to benefit from a low claims year.**

When you are renting your health plan, the insurance company's profit is on the line. In low claim years, they make a lot of money from this unused premium. In high claim years, they don't. When you Own Your Own Health Plan, you are the one that stands to benefit from a low claims year. But in years where claims run high, you need to be sure you have enough set aside to pay for everything. This may sound daunting, but remember that you are not alone in this effort.

You have stop loss coverage backing you up and a TPA to make sure it all happens smoothly. As we discussed earlier in this book, your stop loss coverage protects you against any one person's claims getting too high as well as protecting you from everyone's collective claims exceeding a certain limit. Both scenarios could be devastating to your plan if you don't have the proper stop loss protection in place. The goal with your plan is to have enough money set aside in reserves to cover the claims leading up to these stop loss limits.

Expected Vs. Maximum Liability

Probabilities show that it is rare for a company to spend all of the money they hold in reserve to pay for their employee's claims. It's more likely that everyone's claims will come in below the maximum limit. For this reason, we see an ongoing debate regarding the amount of money a company should hold in reserve. Some argue that since the probability of hitting your maximum limit is low, it's fine to build your reserves up to an expected number of claims instead. Typically, your expected limit is 80% of your maximum liability. So, you can see the appeal of only funding your plan to the lower limit. The trouble in doing this is if/when you have a bad year and you've only funded your plan up to 80% of what you should have, coming up with that extra 20% can be very uncomfortable.

We encourage our clients to fund their accounts up to the maximum limit or the maximum liability. We would rather see you be more disciplined and set aside money to cover the full 100% of your claims liability and then be pleasantly surprised when at the end of the year you realize that you didn't end up spending everything and you have money left over.

Since you now Own Your Own Health Plan, it's great to know that this money left in reserve is yours. No one else has claim to it. With full transparency of your plan, you will know with confidence where and how that money is being spent.

> **When you Own Your Own Health Plan, you will know exactly where and how your money was spent.**

Another common question we get from those that are new to owning their own health plan is what you do in the early months when claims come in and you don't have the funds built up yet to cover the claims. For starters, recognize that it typically takes a few months before claims are ready to be paid. So, if your new plan begins January 1st and someone incurs claims within the first week of the year, those claims likely won't be paid out until early March or maybe even later. This is good news for you because it gives you two months to build up the portion of the premium in your claims reserve account to cover costs that do come in. If the claim is very large, then you are likely going to hit your individual limit on your stop loss coverage so things will be paid for by that policy instead.

The other thing we can do to eliminate risk and worry from your plan is set up advance arrangements so that in the event you don't have the money ready to go in your reserve account but claims are needing to get paid, the TPA and/or the stop loss carrier will advance you the money necessary to cover those claims. They will then be reimbursed by the premium your plan collects in the future so they aren't out the money they provided. Those new to owning their own health plan need to understand that without these advance arrangements in place, there will be times where you will need to pay large amounts of money to providers that are demanding payment and then you would be the one waiting for the reimbursement to get back to you either by premium collected or the stop loss carrier's payments.

As you are starting to see, when you Own Your Own Health Plan, you will know exactly where and how your money was spent and more importantly, be given tools and resources to do something about it.

What about HIPAA?

HIPAA needs to be taken very seriously. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is a federal law that was put in place to protect sensitive Personal Health Information (PHI). Employers need to understand this ruling and take care to remain compliant because the penalties for noncompliance can be very steep. If an employer makes a decision about an employee based on the health of that employee or the health of their family members, they would be in violation of HIPAA laws.

When we help a company own their own health plan, we protect the employer from knowing too much about their employees by keeping conversations and analysis at a higher plan level. Reports never disclose the name of the individual employees, so the employer won't ever know specifics. This keeps PHI confidential and protected.

2. CREATIVITY

When you move from renting your home to owning your home, you realize that with that purchase comes the ability to change or remodel your home so it's exactly how you want it. Perhaps you prefer a more open floor plan or a larger kitchen. Maybe you find that one dishwasher is never enough to get all your dishes clean, so you want two dishwashers. Or maybe you want to thrill your kids or grandkids by installing a slide to go down to the basement. All of this is possible when you own your own home. In similar fashion, Owning Your Own Health Plan allows you to do some very creative things that typically aren't done with off-the-shelf health insurance plans. Here are a few of our favorites:

I. Pay Cash Instead

Did you know most doctors, clinics, and hospitals will accept discounted payments for their services if you pay them cash upfront?

Normally, this is a strategy that requires you to put aside your insurance plan and negotiate in cash with the provider. And while you are excited to get a great deal, there's a part of you that is annoyed because you just negotiated a better discount than your insurance plan could do! This insurance plan is costing you hundreds of dollars a month! It's frustrating to see something as simple as cash getting a better deal. When you Own Your Own Health Plan, you can harness the power of cash and incorporate it into your plan. When you do this, your employees feel empowered with another tool in their toolbelt to further drive the cost of care down.

Many people aren't comfortable with entering into a negotiation with their providers and shy away from dealing with them in this way. When you have it as a part of your plan, you have a team of people behind you ready to do the negotiating for you. Your employees aren't the ones that have to be a good negotiator. When the doctor's office or hospital calls your insurance, the people on the other end of the phone will be the ones negotiating with them. This keeps costs lower for the consumer, reduces costs paid out by your plan, and gives healthcare providers their money quicker and more efficiently than before. That's a win, win, win!

II. Pharmacy Strategies

We discussed earlier how complicated filling prescription drugs can be in our healthcare system. The result of these complications is higher costs for you and your plan.

When you Own Your Own Health Plan, you can take full advantage of the available options in the market to drive down costs. For example, certain drugs are much more expensive here in the United States than in other parts of the world. This means you can get the exact same medications for much less in Canada, Mexico, or the Cayman Islands. Now that you Own Your Own Health Plan, you can help your employees get the drugs they need from other sources and save thousands of dollars a year.

Another little-known fact is that pharmaceutical companies often have patient assistance programs in place to help people get their expensive medications at much lower costs or even for free. Some will only grant assistance to those under a certain income threshold, while others have the assistance available to anyone that asks.

Owning Your Own Health Plan allows you to take advantage of all these programs saving your employees and your plan thousands of dollars each year.

Pharmacy rebates are a hot button issue. As was discussed earlier, the insurance company and pharmacy benefit manager require that drug manufacturers pay them a rebate, which then influences the tier their drug is placed on. Now that you own your own plan and have full transparency of everyone's claims, we make sure you are the one that receives all the rebates. You can take this money and redirect it to build up your reserves so it's ready to be used toward claims in the future.

III. Care Coordination

What is the job of the TPA? To process claims. So why do most self-funded plans have the TPA set up as the one interacting with your employees, too? It's probably because they didn't know there is a better way.

We suggest splitting up the roles of a typical TPA and letting them do the one thing they are best at: paying claims. You then get a different team of people to handle the incoming calls of your employees.

Doing it this way allows you to get a team of people that are specifically trained in this one area. What type of person would you want answering those calls? You'd want a team of people specifically trained on your company's plan. A team that knows all the ins and outs of our country's healthcare system so they can navigate your employees through their care options and get them to the best solutions efficiently.

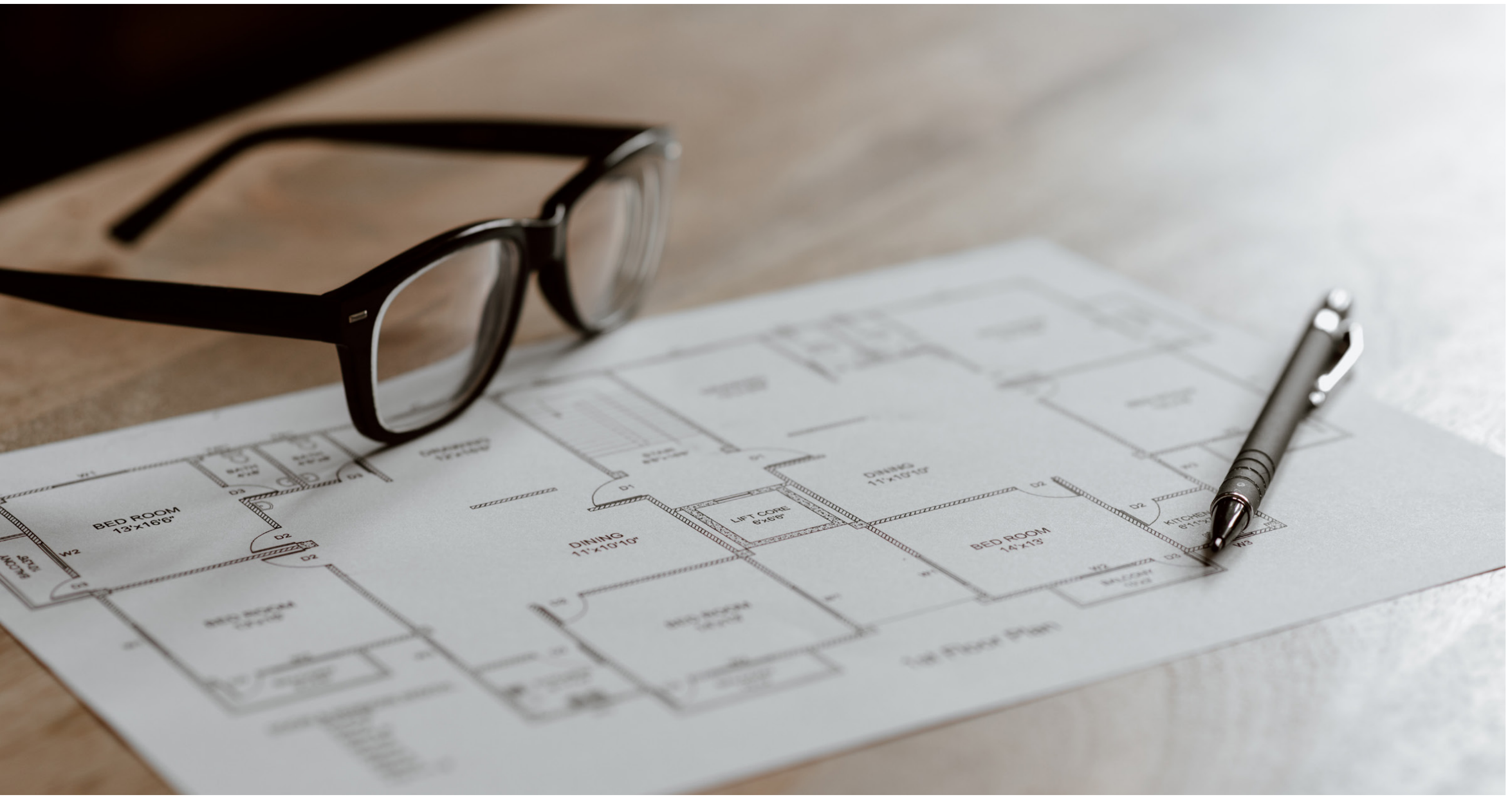
> **"Putting these highly educated professionals on the front lines of your plan helps us identify employee needs as they are happening in real time."**

Owning Your Own Health Plan allows you the creativity and customizability to do just that. We call them Care Coordinators. We also like to refer to them as HealthCare Warriors. This team can field a seemingly simple call from one of your employees saying they need a new ID card. By asking additional questions, this team can get to the root of the issue and discover that this employee is about to incur some claims. This individual is starting on a healthcare journey and needs more than a fresh ID card. They need advice and guidance about what to do next. They need to know all the available tools and resources they have with their plan. Empowered with this knowledge, they can make better decisions about their care. These HealthCare Warriors can guide your employees to less expensive alternatives for care. They will serve as an advisor and coach through the employee's journey, however short or long it may be.

Other insurance companies have similar teams of member advocates and care management experts, but the trouble is that most of these specialists don't get involved until months after the first diagnosis. Putting these highly educated professionals on the front lines of your plan helps us identify employee needs as they are happening in real time. This early detection is key as they can provide advice and guidance right out of the gate. This will save your plan and your employees a lot of money in the long run.

3.CONTROL

The reason people are motivated to move from renting to owning their home, or from moving out of a gated community with a restrictive HOA, is so they have more control over the decisions surrounding their home. You don't want other people or outside entities controlling how things function in your home. This is the same motivation that drives a business owner to own their own health plan. They want more control.



Plan Customization

As we've been highlighting, traditional insurance often limits and/or restricts certain aspects of their plans.

When you Own Your Own Health Plan, you can alter your plan in any way you wish. You have complete control over the things your plan will or will not cover. For example, many insurance plans today will not cover chiropractic care. If you decided that this was something you'd like your plan to cover, you can make it happen. Or perhaps you've bumped up against frustrating limits to the number of physical therapy visits that are allowed on your current health plan.

Moving to a plan ownership arrangement allows you to set that number higher or even remove any restrictions altogether.

A word of caution. Just because you can, doesn't mean you should. An interesting thing happens when you Own Your Own Health Plan. As you step behind the curtain and are given this level of transparency and control, you'll find yourself starting to think and act like an insurance company. When your plan has restrictions and limitations in place, it limits the number of claims dollars spent on different categories or items.

Often, these limitations are there for a reason. Insurance companies have found that certain areas of healthcare are unnecessary or ineffective. There's a balance we need to constantly keep in mind with your plan. While we want it to be a valuable benefit that your employees can rely on to pay for their claims, we also want to be sure this plan remains affordable and there isn't any excessive or unnecessary spending.

Your claim dollars are precious, and you probably don't want them to be wasted on things that aren't effective. We'll help guide you through the different options and choices, keeping these two aspects of your plan in check and in balance.

8 Things Most Insurance Plans Won't Cover

- **Travel vaccines**
- **Acupuncture**
- **Chiropractic Care**
- **Message Therapy**
- **Cosmetic Surgery**
- **Weight Loss Surgery**
- **Infertility Treatments**
- **Hearing Aids**

Network

Employees hate it when their employer decides to change to a different insurance company that uses a different network. This means they have to go share the unfortunate news that everyone might need to go out and find new doctors. When you Own Your Own Health Plan, you won't ever have to go through this again. Why? Because your network is now a separate and independent component of your plan that doesn't ever need to change if you don't want it to.

The reason most employers change to a different insurance company is because the proposed renewal was pushing their rates up too high. This causes them to go out shopping for other insurance options where they find more attractive rates with a competing insurance company. The network is not the reason for the high renewal increase. It's likely because the insurance company's pool of covered lives all had higher claims than anticipated, so they needed to raise everyone's rates to make up for it.

We handle this differently when you Own Your Own Health Plan.

There will still be the need to shop around and get competitive quotes on your health insurance, but we don't have to upend the entire plan just to get a lower rate. If the cause of the higher rates is your stop loss insurance, we can go out and shop that specific part of your plan without touching the rest of your plan. We can detach your plan from one stop loss carrier and plug in a more competitively priced one without disrupting any of the other components of your plan. Your employees won't ever know the difference between one stop loss carrier and another. Their network hasn't changed so they can continue seeing the same providers they trust, and they'll never be forced to change their doctors again.

Hidden Revenue Streams

Insurance companies are in business to make money. Granted, there's nothing wrong with making money, but when you hide the way you make your money, things get a little questionable. Have you noticed in the news that some insurance companies are buying pharmacies and pharmacies are buying insurance companies? Do you know why this is happening? Ultimately, it's to make more money! There is hidden revenue flowing through these arrangements.

Remember when we mentioned pharmacy rebates? These rebates are the way an insurance company requires a pharmaceutical company to pay them to get their drugs moved up on their pharmacy formulary list.

We've also covered the common practice for insurance companies to increase their premiums every year with very little proof or documentation showing you where your money was spent or that they justifiably need more to cover all of the claims for the next year. They seem to know that as long as the increase isn't too high, most companies will pay it.

By Owning Your Own Health Plan, you eliminate these hidden revenue streams by shining a bright light on all the behind-the-scenes details of your plan. Hidden revenue and misaligned incentives are eliminated making your plan operate better and keeping your costs down.

> **"Owning Your Own Health Plan eliminates the middleman and ensures you maintain an affordable health plan for your company."**

THE TEAM OF INSURANCE BUILDERS

When building a custom home from the ground up, you need to be sure you have the right team of experts to help you through the process.

You need an experienced architect, a methodical engineer, and a diligent general contractor to keep the project moving forward on time and under budget. The same is true when you are building your own custom health plan.

At Knudson Benefits Group, we have decades of experience helping companies build custom plans to fit their specific needs and bottom line. We work with a host of metaphorical subcontractors, architects, and engineers. Once the plan is built, we meet with you every quarter to review the details of your plan and your employee's claim utilization to be sure we watch the flow of your money and monitor any irregular movement or incidents. If an employee is facing a health scare or needing guidance through their journey, we'll be there to answer their questions.

Through all our years of experience, we've found that Owning Your Own Health Plan brings you unparalleled access to your data and full transparency to your plan. It also gives you the ability to infuse creative and innovative solutions, while controlling all the components of your plan so they work independently yet harmoniously together. Doing it this way gives you world class benefits at the lowest possible price.

Let us show you what Owning Your Own Health Plan can do for you. Scan the QR code below to get started.

Scan this code to start Owning Your Own Health Plan

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