

Michigan Public Employer Consortium

A Better Self-Funded Solution





About CareFactor:

For over 50 years, CareFactor has provided self-funded plans for medical, prescription, dental, and vision benefits. The CareFactor team uses flexible plan designs, sophisticated analytics, and industry leading risk management partners to bring the maximum value to members and clients. CareFactor is a privately held company, located in Columbus, Ohio. The Columbus headquarters is also home to the Member Care Team. This group of professionals are trained to provide answers and assistance by phone, online chat or email.



About Excess Re:

- Founded in 1989
- Home Office in Woodbury, NJ
- Full service MGU and insurance company
- Top rated carriers
- \$200,000,000 of premium
- Proprietary products include
 - Traditional stop-loss
 - “CAP” Level Funded stop-loss
 - “MEC/MVP” stop-loss
 - “AlfA” Association stop-loss



XS

RE **EXCESS REINSURANCE**

State of the Fully Insured Market

- ACA has altered the fully insured market
- No medical underwriting permitted in small group market – healthy groups overpay
- Age band compression, young groups overpay
- Fully insured carriers lost money on certain segments
- Many carriers exited individual market and state exchanges
- Carriers won't provide groups with claims data
- Properly structured self-funding may be the better option



Self Funding Basics



- Long-Term strategy for managing employer health plan costs
- Employer funds healthcare claims
- TPA pays claims and helps manage costs
- Narrow Networks and RBP strategy can be used to achieve additional discounts
- Customizable plan document governs covered benefits and eligibility
- Stop-loss protects plan from claims above a specified amount
- Employer receives full access to claims data



Advantages of Self Funding

Not subject to ACA fully-insured underwriting rules

Avoid toxic, fully-insured carriers' pools

Transparent claims data

No state premium tax on aggregate claims

Reduced ACA tax liabilities

ERISA pre-emption (not subject to state mandates)

Lower administrative fees





Employers band together and **pool resources**

Leverage **purchasing power** to obtain lower pricing



Spread cost among multiple employers



Costs based on employers' claims, not insurance company's pool



Stop-loss carrier smooths out upfront costs and **renewal increases** with lower expense and profit requirements



Risk management programs **tailored to members' needs**.



Advantages of MPEC

Lower cost structure than traditional, stand-alone self-funding

Reduced premium expense and profit margins

More predictable renewals spread across all consortium member firms

Simple, level-funded monthly cost structure (CAP)

Robust reporting

Best-in-class vendors and network options

Effective risk management across all employer groups

Only well managed and engaged groups are invited to join



MPEC Overview

	Fully Insured	Traditional Self-Funded	MPEC
Level Funded Cost Structure	✓	✗	✓
Reduced ACA Tax Liabilities	✗	✓	✓
Avoid State Mandates	✗	✓	✓
Reduced State Premium Taxes	✗	✓	✓
Claims Transparency	✗	✓	✓
Lower Administrative Fees	✗	✓	✓
Avoid ACA Underwriting Rules	✗	✓	✓
Collective Buying Power	✗	✗	✓
Reduced Premium Expenses	✗	✗	✓
Coordinated Risk Management	✗	✗	✓
Equitable, Smooth Renewals	✗	✗	✓

Cost Containment Strategies

- Data analytics and predictive modeling
- High-Cost prescription Management
- RPB shield – balance bill protection



Deerwalk Features



- Actionable Insights – Predictive Analytics
- Built-in clinical insights – gaps in care and risk triggers
- MARA risk scoring – concurrent and prospective
- Normative data set and benchmarking capabilities
- Advanced search and query capability
- Dynamic cohort creation and management
- Trending and comparison analytics



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