

Comparative Points List for Self-Funded vs Insured

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Differentiator	Fully Insured (Core Business is for Shareholders of Insurance Company)	ASO (Core Business is for Shareholders of Insurance Company owned vendors)	Self-Funded (Core Business is Contracted for Claims Administration)	Level-Funded
Primary Focus	Stockholder ROI	Stockholder ROI	Employer Client	Stockholder ROI
Approach (1)	Bundled	Partially Bundled	Unbundled	Bundled or Partially Unbundled
	+ Package Design with No Customization	+ Package Design with Limited or No Customization	+Ground-up Needs-Based Custom Design	+ Package Design with Limited Customization
	+ Not Adaptable to Employer	+ Partially (Limited) Adaptable to Employer	+Flexibility Adaptable to Employer	+ Partially (Limited) Adaptable to Employer
	+ Platform-based Enrollment	+ Platform-based Enrollment	+Tailored Enrollment	+ Platform-based Enrollment
	+ Carrier Only Services	+ Carrier Only Services	+Plug-in-play "Best Practices" Services	+ Carrier Only Services with some flexibility
	+Basic Inflexible Reporting	+Enhanced semi-flexible Reporting	+ Meaningful Analytics with Ad-Hoc Capabilities	+Enhanced semi-flexible Reporting
	+ Single Stop-Loss Carrier (integrated)	+ Few if not Single Stop-Loss Carrier	+ Multiple Stop-Loss Carriers to Shop Market	+ Few if not Single Stop-Loss Carrier
	+Single Pharmacy Benefit Manager (Integrated)	+Limited Pharmacy Benefit Manager Options	+Multiple Pharmacy Benefit Managers to Shop Market	+Limited Pharmacy Benefit Manager Options
	+ No self-auditing	+ Occasional Self-Auditing	+Ground-up Needs-Based Custom Design	+ Occasional Self-Auditing
State Premium Tax, Risk Charges, Profit	2% State + 3% to 8% (Risk & Profit)	2% depending on whether insurance company acts as TPA and PBM as well as Stop Loss + 3% to 8% (Risk & Profit)	0%	2% depending on whether insurance company acts as TPA and PBM as well as Stop Loss + 3% to 8%

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Direct Contracting	No	No	Yes	No / Maybe
Choice of Networks and/or GEO mapping and integration of whatever networks are necessary.	No	No	Yes	Very limited
Build own Formulary	No	No	Yes	No
Full State Regulation compliance required	Yes (5% to 12%)	Maybe (5% to 12%)	NO (0)	Maybe, however, stop loss rate reporting
Effective Claims management	No	Maybe/limited	Yes	Maybe/Limited
Coordinated wellness and prevention programs	No	No/limited	Yes	Maybe/Limited
Daily claims data access for planning, coordinating intervention, etc.	No	Limited	Yes	Limited
Employee incentives for good health specific to their risk	No	Limited	Yes	Maybe/Limited
Administrative Performance Guarantees	No	Yes	Yes	No
Physician Provider protocols	No	Yes	Yes	No
Transparent	No	No	Yes	Maybe
What Carriers Would Claim About TPA's	+ We have direct contracts with providers	+ We have direct contracts with providers	+ Our rented networks have direct contracts with all providers and we can "cut and paste" as needed, and at less cost to our clients.	+ We have direct contracts with providers
	+ Our market share gets deeper discounts	+ Our market share gets deeper discounts	Third party discount analysis can determine best in class discounts.	+ Our market share gets deeper discounts, but not always same market

<i>Differentiator</i>	Fully Insured <i>(Core Business is for Shareholders of Insurance Company)</i>	ASO <i>(Core Business is for Shareholders of Insurance Company owned vendors)</i>	Self-Funded <i>(Core Business is Contracted for Claims Administration)</i>	Level-Funded
	+ We auto-adjudicate 80+% of our claims	+ We auto-adjudicate 80+% of our claims	+ We want to auto-adjudicate everything but the 3% outliers.	+ We auto-adjudicate 80+% of our claims
	+We have more doctors and hospitals available.	+We have more doctors and hospitals available. We use same networks as fully insured	+ Our rented networks cover ALL doctors and hospitals, so we can pick which are the best and least cost to our clients.	+We have more doctors and hospitals available. We use same networks as fully insured
	+ Our systemized approach simplifies management.	+ Our systemized approach simplifies management. Our providers, if separate provide NO integration of data	Their "systemized" approach limits analysis, insight, disease state management and pro-active claims management.	+ Our systemized approach simplifies management. Our providers, if separate, provide NO integration of data
	+ We process thousands more claims on a daily basis.	+ We process thousands more claims on a daily basis.	+ 19% of claims are duplicates or ineligible. Plus, we offer a cash guarantee for accuracy.	+ We process thousands more claims on a daily basis.