

# Exploring Self-Funded Plans



Self-funded plans are a great option for budget-savvy business owners who want more control over their company's healthcare coverage costs.

You can choose from a range of self-funded stock plan designs or build your own plan. You'll have peace of mind knowing you're offering top-notch healthcare coverage that fits your company's specific needs and budget.

## What is Self-Funded?

With a **self-funded plan**, you retain the risks and rewards of paying for your employees' health care.

In comparison, **fully insured plans** pass the risk and rewards on to the insurance company in exchange for a fixed premium.



Companies that choose self-funding have the opportunity to

### save money

when plan participants have few claims and few expensive illnesses.

Health Alliance offers additional stop-loss coverage you can purchase to protect your business during periods of high medical claim expenses. This provides financial security by allowing you to set a yearly guaranteed annual plan maximum cost for your business.

Specific stop-loss coverage limits the plan's financial exposure on any one individual. Aggregate stop-loss limits the plan's financial liability for all eligible plan participants.

Health Alliance makes self-funding **easier for you** by coordinating essential services, like



Plus, Health Alliance provides clear reports and documentation of how every dollar is spent, helping you manage the plan effectively.

Your business owns all the data associated with your plan participants and usage. You can see claims info, medical history and more. This allows for smarter and more agile planning for future healthcare costs.

### Self-Funded

Most self-funded plans are not subject to the taxes and fees that apply to fully insured plans.

Businesses have the potential to save money when claims are lower than expected.

Most plans follow federal ERISA rules and are not subject to most state mandates\*, like bariatric surgery.

\*If your plan is not governed by ERISA, some state mandates may apply.



### Fully Insured

Plans are subject to taxes and fees.

Businesses pay insurance company a fixed rate, no matter if claims are high or low.

Subject to all state mandates.

### Wellness Extras

Health Alliance offers programs and tools to help your employees be healthier, which could mean lower claim costs for your plan.

Here are just a few of the extras Health Alliance offers:

- Valuable pharmacy programs and fitness discounts
- Rally, our online tool that helps people make healthy choices
- Treatment Cost Calculator that compares provider costs



Note: These extras are included in your plan at no cost; others are available as add-ons to your plan. Talk to your client consultant to learn more.

### Care You Can Count On

Health Alliance has a strong network of nearly

# 25,000

**hospitals, clinics and doctors**

who provide high-quality care to plan participants. If you have employees who live outside the Health Alliance service area, ask about the national network option through NationCare.

### Get Started Today!

To begin building your self-funded plan, call the Health Alliance Client Support team at **217-337-8024**.



[HealthAlliance.org](http://HealthAlliance.org)



**Important:** This information is not intended to be legal or tax advice and should not be taken as such. We strongly encourage you to get such advice from professional legal and/or tax counsel to determine how to best accommodate and protect the needs of your health plan and related business. Health Alliance and its affiliates are not responsible for any complication or loss sustained by any entity choosing to rely on information presented in this document.