COST CONNTAINMENT

Brio
OUTSIDE THE BOX BENEFITS

OPTIMAL LEVEL-FUNDING

The innovative, long-term strategy to control costs, own your contracts, and stabilize monthly cash-flow.

Traditional Level-Funded employers save an additional 10% to 15% every year

10% to 15%

20% to 25%

Fully Insured employers save 20% to 25% every year.

This document was written for companies of 100 enrolled employees or more. Smaller or companies have additional solutions not explored here.

Employer groups that are not comfortable with the risk of a traditional self-funded model have not had any avenues to enjoy some of the same strategies of that model while also limiting their risk in a self-funded environment.

If your risk tolerance makes traditional self-funding unattractive, an Optimal Level-funded Solution (OLS) is the best fit because it includes components not available in a BUCAH level-funded plan, such as the ability to carve out your pharmacy contract, getting a larger percentage of the surplus, and such.

Carrier-sponsored programs lack network and pricing transparency, with reduced claims management and cost containment features leading to significant increases in medical stop loss for these groups, making any surplus recovery unlikely.

Brio has worked to understand and unpack the carrier model to identify improvements that benefit the employer, not the carrier, resulting in savings every year, not just in years with reduced claims.

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What is an Optimal Level-funded Solution?

"An Optimal Level-funded Solution has all the benefits and advantages of a traditional Level-Funded Plan but with four important differences.

1. More money to the employer.

Level-Funded plans offered by traditional insurance carriers usually retain a large portion of the claim surplus, often 50% or even 60%. So, while the employer is paid a refund from the surplus, the employer's refund is far from the entire surplus. It is only a slice of the pie.

An Optimal Level-funded Plan returns 100% of the claim surplus to the employer. The employer is not punished for taking a conservative position and fully funding the plan only to increase the amount the insurance carrier keeps at the end-of-year reconciliation. Instead, all the excess claims funding the employer paid into the plan is returned to the employer, 100%.

2. Your own TPA, your own network, your own pharmacy contract.

Level-Funded health plans offered by traditional insurance carriers tend to restrict employers to certain plan designs and only allow the employer to use the ancillary service providers associated with that insurance company. An Optimal Level-funded Solution offers plan design flexibility and customization coupled with the ability to utilize any outside vendor, any network, and any TPA the employer prefers. Brio has taken the time to pre-build TPA solutions to make the implementation and administration easy for you while continuing to provide flexibility and deliver employee satisfaction.

3. Brio is watching the carrier, the pennies, and your benefits.

In a Level Funded Plan, monthly costs are fixed. The administrative costs are fixed and are charged per employee. The stop loss insurances (individual and aggregate) are a fixed monthly cost. But the claims portion of any level-funded health plan is a variable cost. The claim costs are where level-funded plans are vulnerable to manipulation.

Self-Funded and Level Funded Plans are not regulated by the ACA's medical loss ratio (MLR) rule – the 80/20 rule. The MLR stipulates that carriers must

"The financial benefit of BRIO benefits plans to Callen-Lorde has been enormous. And that benefit has come from BRIO's ability to tailor healthcare offerings and cut costs"

DAN HUNT
Senior Director of Finance
Callen Lorde NYC

spend at least 80% (85% in the large group market) of collected premiums on medical care and efforts to improve the quality of care. Otherwise, the insurance carrier must rebate any excess premium charged, thus capping the carrier's profits at 20% (15% in the large group market).

Because Self-Funded and Level-Funded plans are exempt from this regulation, carriers can be creative in defining claim expenses, potentially creating additional income to the carrier.

Brio is practiced in identifying carrier strategies such as Spread Pricing (pharmacy "pass through" pricing), Shared Savings (manipulating certain patient populations with incentives to change their health care spending) and other hidden costs. Your Brio professionals look out for you and your workforce.

This proprietary level-funded plan also comes wrapped with a bundled solution that includes mental health, navigation/concierge, and wellness solutions that are rarely part of a benefits package.

4. Brio makes it quick and simple to transition to Brio Level-Funding Solution.

Because your time is precious, Brio has an onboarding team guiding you through the transition to eliminate any obstacles that could get in the way of your superior outcome with an Optimal Level-funded Solution. The old way is gone. There are no headaches, no onerous paperwork, no awkward phone conversations. Brio has the process to seamlessly move your population into a cutting-edge funding strategy and plan that delights your workforce as well as your C-Suite without any of the hassle.

Call Rich 718.757.6534.

Let us discuss how an Optimal Level-funded Solution would work for your company and your employees. This is a conservative approach that gives employers the ability to manage risk with an enormous upside potential that is impossible to ignore.

Managing extreme volatility in claims payments is an uncomfortable position from a cash-flow standpoint. Level-funding makes sense, but the employer forfeits the savings from self-funding.

Blue Cross Blue Shield, United, Cigna, Aetna, and Humana (BUCAH) Level-funded solutions provide the level payments but at a cost because they take on the risk of claims volatility.

However, these plans do not include the components that are truly cutting costs and BUCAH underwrites the plan to 'pay' themselves first. Their administration charges are very high because there is no risk in administration. They reduce the overall claims liability which reduces the employer's chance of having a surplus.

Brio has figured this out so the employer can save every year over the traditional level-funded plans. Call us. Let us answer your questions and show you the savings for your situation.

	BUCAH	Brio
PROGRAM STRUCTURE	Level Funded (12 equal payments at annual max cost)	Level Funded (12 equal payments at annual max cost)
THIRD-PARTY ADMINISTRATOR (TPA)	BUCAH	Independent TPA
NETWORK	National BUCAH Network	National Network
PHARMACY BENEFIT MANAGER (PBM)	No Choice/BUCAH Partnership	Transparent PBM Contract of Choice
MEDICAL STOP LOSS	Spread between different carriers	BENECON
SURPLUS	50%-67% but N/A upon cancellation or must renew	100% Retained by the Group, even upon cancellation
CLAIM REVIEW & MONITORING	Included	Included
PHARMACY OVERSIGHT	Questionable	Included
DATA ANALYTICS	Included	Included
PATIENT ASSISTANCE PROGRAMS (RX)	Included	Included
PATIENT ADVOCACY / ENGAGEMENT	Included	Included
PLAN DOCUMENT REVIEW	Included	Included
ERISA GUIDANCE AND SUPPORT	Included	Included
COMPLIANCE REVIEW	Included	Included
NAVIGATION & COST TRANSPARENCY TOOL	N/A	Included