



Protect your Self-Insured Benefit Plan Sponsors – Medical/Rx Claims & Dependent Audits

Self-funded medical & prescription drug plans allow companies to assume the financial risk of their employees' health benefit costs, which gives them more control over the design and management of the plan.

Self-funding can potentially lead to higher cost savings, as companies can tailor their plan to the specific needs of their workforce and negotiate directly with Payors, Provider Networks, Hospital systems, pharmaceutical manufacturers, and Pharmacy Benefit Managers (PBMs) for better prices.

If you are a broker, consultant, MGA, or TPA advocating for self-insured plan-sponsors, this article is for you.

Employers faced **4.5% increase** in their health-care budgets in 2023 versus 2022. In 2024, projected average costs for U.S. Employers that pay for their employees' health care could increase **8.5% to more than \$15,000 per employee**. Self-insured plan sponsors typically have several concerns about managing the costs and utilization of their employee's health benefit plans. Some of the most common pain points include the following:

1. Costs and Financial Risks

- **Rising hospital bills & drug costs:** Self-insured plan sponsors are responsible for paying a significant portion of their members health spend, so they are concerned about the increasing cost and how to manage those costs. Unexpected high claims can impact their budget.
- **Stop-loss coverage:** Concerns about managing and controlling costs may lead sponsors to carefully evaluate and choose appropriate stop-loss coverage.
- **Managing specialty drugs:** Specialty drugs are high-cost medications used to treat complex or chronic conditions. Specialty drug costs and utilization are on an uptrend and can cause the overall cost of the prescription drug benefit to spiral out of control.

2. Compliance and Regulation

- **ERISA Compliance:** Self-insured plans are subject to the Employee Retirement Income Security Act (ERISA), and sponsors must stay compliant with its regulations.
- **Eligibility Determination:** Most employers have a fiduciary responsibility to ensure that their plans operate according to the terms in the plan documents, including enrollment and eligibility provisions.
- **GAG Clause Attestation:** Group health plan sponsors and issuers are required to attest and ensure their contractual clauses do not prohibit or limit the access and utilization of data for financial or non-financial purposes. Gag Clause Prohibition Compliance Attestation (GCPCA) is an attestation of compliance with IRS section 9824, ERISA section 724, and PHSA Act, as added by section 201 of the CAA (Consolidated Appropriations Act), as applicable. First GCPCA attestation is due December 31st, 2023.

3. Mental Health and Wellbeing

- **Addressing Mental Health Needs:** Recognizing and addressing mental health issues in the workplace and providing appropriate coverage for mental health services.
- **Wellness Programs:** Sponsors may be concerned about the effectiveness of wellness programs and other initiatives aimed at improving employee health and reducing healthcare costs.
- **DOL Regulations:** Violation of Specific provisions within Part 7 of ERISA including but not limited to Mental Health/Substance Parity in benefits could expose the plan sponsor to financial violations and penalties.

4. Changing Healthcare Landscape

- **Market Trends:** Staying abreast of changes in the healthcare industry, such as new treatment modalities, pharmaceutical innovations, and changes in healthcare delivery models.
- **Competitive Pricing:** Rising inflation and its impact on healthcare concerns CFOs as those costs impact the employers' budget and bottom-line. Am I over-paying for my employee's plan benefits?
- **Chronic Disease Management:** Our country is challenged with an endemic of Chronic diseases impacting increased utilization of specialty medications and expensive treatment regimens. Increased influx of GLP-1 products, rising cost of dialysis bills, and hospital surcharges are some of the issues which if left unchecked could negatively impact your plan-sponsors health spend.

We Help You Win

As a Self-Funded plan sponsor, managing risk tied to the rising healthcare cost and utilization for your plan sounds like an inevitable task yet it can become a pain-point if left unmonitored for long.



Audits – Why do them?

Striking a balance between cost-effectiveness and providing attractive benefits to retain and satisfy employees is critical to plan sponsors' strategy of delivering employee satisfaction and retention. **Audits are one of the most comprehensive tools to assist your plan sponsors address their concerns as well as deliver financial savings. Audits should be part of your annual cost-containment strategy.**

All contracts are not the same

In choosing the payor and pharmacy benefit manager (PBM) for your employee's healthcare plan you should expect to receive control of the claims data **you** pay for, competitive pricing, rebates and cost-saving solutions that align with your financial budget in addition to clinical and administrative services that meet your employee's needs. While your current choice of payer, and PBM may seem like the right choice, not all Contracts are written the same. Working with our inhouse experts at Amwins Health and Employee Benefit Consulting™ can help you ensure the claims you paid for are accurate and in-line per your contract.

Audit is a tool for all employer sizes

It is a common misconception among Self-Insured plan sponsors to think they don't have enough number of employees / lives to conduct an audit or that it's not worth the effort of conducting the audit because their Payor or PBMs are too big to fail. The reality is a Medical and Rx claims audit is meant to deliver actionable results and eliminate any mis-aligned incentives between the Self-Insured Employer and their benefit administrator. Amwins Health and Employee Benefit Consulting™ has delivered comprehensive audit solutions for over a decade. Issues identified now thru Audit will have future savings, if left unidentified will cost for every year of your plan contract term.

Risk mitigation

Aside from a claims audit, there are a host of risks that can result in significant financial penalties and fines if the self-insured plan sponsors are not found in compliance with. Additionally, ensuring your plan participant and dependents are eligible for the benefits you pay for can deliver huge financial savings. Our Dependent Eligibility Audit solution is designed to mitigate financial risk for your plan-sponsors.

How can we help?

Employee Health Benefits are often found to be complex, tough to navigate, and riddled with opacity. This could be overwhelming, and you don't have to do it alone, At Amwins Health and Employee Benefit Consulting™ we are here to **help you win**. Risk Mitigation, Cost-containment strategy, and Compliance solutions are critical to ensure proposer financial controls and procedures required of a well-run plan. Call us for a no-obligation consult!

About the Author



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Harsh brings his collective experience in managed care, insurance, pharmaceutical, PBM, and health start-up industries to deliver robust cost-containment solutions for self-insured plan sponsors. Over the course of his career, Harsh has focused on developing solutions to lower cost for brokers, and clients supporting self-insured plan.



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