SELF-FUNDING GIVES YOU CONTROL OF YOUR EMPLOYEE BENEFITS COSTS

Rising healthcare costs and recent healthcare reforms have driven more and more employers to wisely consider self-funding their medical benefits.

Self-funding is a proven method to controlling costs. More than 80% of employees in the U.S. are covered by a self-funded health benefit plan. Education on the mechanics of how it works could be the single best investment you can make. When you choose self-funding with Custom Design Benefits, you put your company in a position to drive savings.

Self-funding with Custom Design Benefits offers:
• Control over your benefit plan
• Improved cash flow, as claims are funded as they are paid
• Exemption from state insurance mandates and most premium taxes
• The power to adapt cost containment strategies and wellness programs tailored to your population
• Greater knowledge about what you're spending through detailed reporting and analysis

WHAT CDB does differently:
• Meaningful reporting to analyze performance and cost drivers
• One point-of-contact for the employer/customer service and account management
• Expertise in plan design and cost savings opportunities
• Active senior management involvement for quick problem detection and resolution

WHO IS A GOOD CANDIDATE FOR SELF-FUNDING?
Your company receives personalized service from Custom Design Benefits so you can:
• Ensure you have a competitive benefits package to attract and retain talented employees
• Customize your benefits to meet the needs of your business and employees
• Gain greater insights into your benefits spending and take control of your spend

Virtually any size company can explore self-funding for its medical benefits. Custom Design Benefits has designed and created programs for companies with fewer than 50 employees. Companies that succeed with self-funding typically have:
• Stable Workforce
• Good Cash Flow
• Wants Control
• Internal Champion for Cost Savings
• Wants Access to Data
• Needs Flexibility

Contact us today at 800.598.2929 to learn how Custom Design Benefits can deliver for your business.

PERSONALIZED SERVICE
ADVANCED TECHNOLOGY
CREATIVE SOLUTIONS

Distribution of CDB Clients By Size

< 50  50-99  100-249  250-499  500+

A personal, caring approach to employee benefits
SELF-FUNDING VS. FULLY-INSURED COVERAGE

With a fully-insured product, an employer signs up for a rigid fixed plan and pays a monthly premium, whether claims occur or not. Even if the employer does not use the amount of healthcare he paid for, the insurance company still retains the premiums, and therefore the benefit dollars. The employer has little to no access to reports to justify their premium increases.

In a self-funded plan, the employer creates a customized plan design and takes the responsibility for funding its own account. The employer assumes the risk up to certain limits. But at the end of the day, if claims are not incurred or paid out, the employer retains the money, and therefore the benefit dollars. In self-funded plans, the employer has access to full reporting, allowing them to budget properly for potential future claims.

CUSTOM DESIGN BENEFITS GIVES YOU CONTROL

The most important question companies ask about switching to self-funding is what is the most they could be expected to pay? At Custom Design Benefits, we give you solutions that mitigate your risk and help you contain costs.

When it comes to high costs, there are several vehicles that employer-sponsored plans use to financially protect their plan from unexpected losses, called excess loss insurance or stop-loss. This coverage allows you to limit your exposure for each individual or for your population as a whole. Together these two products limit the financial exposure to the self-insured plan, allowing you to leverage all of the benefits afforded through ERISA, the federal law governing self-funded benefits.

As more companies discover the benefits of self-funding, insurance companies have begun offering their version of this healthcare benefit plan, known as ASOs (Administrative Services Only). But don’t settle for this partial solution. ASO plans are written by insurance companies and retain many of the characteristics of their affiliated major carriers. Custom Design Benefits, as a qualified Third-party Administrator (TPA), provides your company with all of the benefits of a self-funded solution.

- 93% of companies never hit their maximum liability
- The average benefits spend is 93.5% of expected claims
- Most companies experience the greatest savings of self-funding as a long-term investment over several years

Comparison of Fully Insured vs. Self-funded

Fully Insured

- Premium Tax
- Administration & Profit
- Mandated Benefits
- Claims

Self-funded

- Premium Tax
- Administration & Profit
- Stop Loss/Excess Loss Premium
- Mandated Benefits
- Claims

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