

# Balanced Solutions

Self-Funding Solutions for 10-50 Groups



# How Balanced Solutions Works

**Our unique self-funding solution is geared toward small employers who need a solution for dealing with fluctuating healthcare costs.**

**Self-funding means you fund your group's claims. If those claims are less than anticipated, you get that money back. Self-funding provides you more flexibility in your plan designs.**

First, we determine your maximum self-funding cost for the year up front, so there are no surprises. You count on knowing what your Balanced Solutions coverage and administrative fees will be. If your group's claims are greater than projected, your costs won't exceed that up-front maximum. Periodically, Medical Mutual provides you with claims reports to see how the program is working.

In addition, stop-loss coverage protects you and your business by limiting the maximum amount in claims you have to pay per person as well as in total for your covered member population.

## **Key Points**

- Alternative to standard insurance
- Provides access to the entire SuperMed® Network
- Balanced and predictable monthly payments (excluding enrollment changes)
- Protects you and your business with stop-loss coverage
- No hidden fees or costs

## **Eligibility Requirements**

- Your group has 10 to 50 enrolled employees
- You enroll 75 percent of the net eligible employees
- You require covered members to complete health questionnaires





## Stop-Loss Coverage Protection

**Stop-loss insurance is designed to limit your level of claims responsibility by protecting you from large catastrophic claims. The amount of risk to be reinsured is a function of your group's size, nature of business, financials and tolerance for risk. More risk borne by you will allow you to reduce your overall stop-loss premium cost, providing potentially greater savings during favorable claims years.**

Medical Mutual allows you, the small group employer, to create a stop-loss package to meet your company's needs. Your package includes the following items:

### Specific Stop-Loss

Specific stop-loss insurance covers costs for an individual plan participant whose claims exceed the specific deductible during a contract period. Claims in excess of the specific stop-loss amount are the responsibility of the stop-loss carrier, Medical Mutual. Available stop-loss amounts are:

- Offered at multiple levels from \$15,000 to \$50,000. This is the most you could pay per participant.
- Claims incurred in 12 months, paid over 24 months

### Aggregate Stop-Loss

Aggregate stop-loss insurance limits the overall annual claims liability for you, the small group employer, when the claims paid for the self-funded plan, as a whole, exceed a certain preset level. The preset claims liability level is often shown as a percentage of expected claims.

- Aggregate liability at two levels: 110 percent or 120 percent of expected claims. This is the maximum you would have to budget to pay all claims for your group.
- Claims incurred in 12 months, paid over 24 months

### Run-out Liability Included

Run-out liability insurance covers the claims incurred during the contract period which are paid after the contract period. Run-out liability ensures that individuals covered under the plan are afforded the utmost protection under this program. This closes the books and accelerates the timing of any refund to you.

# Flexible Plan and Tax-Advantaged Options

**Balanced Solutions plans give you the flexibility to select from standard plans or high deductible health plans (HDHPs) that are compatible with a health savings account (HSA). In addition, we offer flexible spending account (FSA) options and a Medical Mutual debit card – all designed to encourage better consumer healthcare spending and savings habits.**

For all accounts, we give your employees direct access to their benefits and an Ohio-based customer care team ready to answer any questions. We provide full administrative support, with employer tools designed to help you manage your employees — from onboarding to daily operations.

## **Medical Mutual's HSA**

Used in conjunction with a HDHP-compatible plan, the Medical Mutual HSA gives your employees three great tax advantages:

- Contributions are made tax free
- The HSA balance earns interest tax free
- Qualified medical expense payments from the account are tax free

## **Medical Mutual's FSA**

By offering a Medical Mutual FSA, you'll receive a tax benefit for your company. Employers are not required to pay the employer portion of the Social Security tax, known as the Federal Insurance Contributions Act (FICA), on employee contributions to FSAs. This amounts to 7.65 percent (2017 percentage) of each employee's taxable income. In effect, payroll taxes are reduced by 7.65 percent of the total employee contributions to the FSA.

## **Benefits and Plan Integration**

Medical Mutual's tax-advantaged accounts let your employees manage their Medical Mutual benefits and HSA and FSA together through My Health Plan, our secure member website. With just one username and password, members can access health benefits and tax-advantaged account information quickly and easily.

## **Medical Mutual Debit Card**

The debit card allows your employees to use the funds in their account(s) to pay for eligible expenses without having to submit claims or wait for reimbursement. One card can manage multiple account types, such as an HSA and an FSA.





## Putting Your Plan Together

### Step 1

**Choose your benefit plan from the included plan insert.**

### Step 2

**Pick a specific stop-loss level.**

Specific stop loss starts when a single covered participant experiences large claims. This insurance protects the employer from catastrophic claims. (The higher the level, the more you save in stop-loss premiums.)

### Step 3

**Pick an aggregate stop-loss level.**

Aggregate stop-loss insurance reimburses the health benefit plan when the total covered claims paid for the year exceeds the total preset claim limit. (Higher levels reduce fixed costs but expose an employer to greater claims liability.)

### Step 4

**Contact Medical Mutual or your broker to assist you in finalizing your plan.**

Consult with your agent or a Medical Mutual Sales representative.

# Focus on Health and Wellness

**Medical Mutual offers a comprehensive suite of programs designed to promote healthy lifestyle behaviors. Through our wellness programs, your employees can better understand their health, identify risk factors for disease and make positive changes to improve their well-being.**

## **Health Assessment**

Completing this assessment can help your employees understand their overall health and identify risk for certain chronic diseases. Based on the results, employees can receive a personalized set of recommended behavior changes to improve their overall health. Aggregate reporting is also available to help determine appropriate wellness programs to address risk within your employee population.

## **Health Resource Center**

Through the Health Resource Center, your employees can watch videos designed to teach them how to eat healthier, be more active or quit smoking. They can also access interactive tools and quizzes, a searchable health encyclopedia and a symptom checker tool to determine what's holding them back from optimum health.

## **Health Promotion Mailings**

Based on your employees' records of healthcare activity (e.g., claims, prescriptions, Health Assessment results), they will receive educational materials about medical conditions and lifestyle issues, missed services and recommended preventive screenings.

## **Healthy Outlooks Newsletter**

This publication offers articles on a wide variety of important health issues, provides consumer health plan education and gives tips for accessing services available through Medical Mutual.

## **Personal Health History**

Your employees are able to review and search their own confidential, interactive, electronic medical history report.

## **Fitness Discounts**

Your employees can save money on memberships to local and national fitness clubs through our Fitness Discounts program.

## **QuitLine Program**

Our QuitLine is available to help tobacco users give up the habit for good by providing one-on-one coaching, a personalized quit plan and educational materials. In addition, nicotine replacement therapy is available to maximize their chances of quitting.

## **Weight Watchers® Reimbursement**

To help employees reach their health and weight goals, we offer a special reimbursement for completing a Weight Watchers meeting series. Covered employees and their dependents age 10 and older can participate in At Work or Local (community) Meetings and are reimbursed up to \$150 of their registration fees per calendar year based on attendance.

Weight Watchers is a registered trademark of Weight Watchers, International.



## Balance Solutions Employer Q&A

### **How are claims processed and paid with a self-funded plan?**

Medical Mutual processes claims for self-insured plans just like it does for fully insured plans. Your employees will see no difference.

### **Will Medical Mutual design my group's self-funded health plan? What options will I have?**

We have a suite of plans to choose from. Each group will have a variety of choices for deductible amounts and stop-loss attachment points.

### **How much are administrative fees with a self-insured product?**

Administrative fees are determined by the number of people covered, the location of the business and the type of plan design selected. Our proposals detail the administrative components.

### **What's included in administrative fees?**

These include but are not limited to: claims administration and managing Explanation of Benefits (EOBs), certificates of coverage, identification cards, access to the SuperMed Plus

Network, care management, disease management, wellness benefits, utilization review reporting and Summary of Benefits and Coverage (SBC) generation at the group level.

### **Will going from a fully insured product to being self-funded mean more accounting and paperwork for my company? If so, can you help outline what that would be?**

As the plan sponsor, self-funded employers are responsible for:

- Meeting federal Employee Retirement Income Security Act (ERISA) regulations and other laws and regulations (e.g., Mental Health Parity 5500 filings). Your broker can help with these details.
- Handing out the required SBC to employees. Medical Mutual will provide you an outline of the SBC.
- Reporting and paying certain federal taxes and fees.
- Additional responsibilities are listed in the Administrative Service Agreement.



## Balance Solutions Employer Q&A (cont.)



### **What happens if I lose employees and drop to fewer than 10 enrollees? Will you make me change my plan?**

Balanced Solutions enrollment eligibility will be measured at initial enrollment and again at renewal. As long as you have the minimum enrollees at those times, you will be eligible for the program.

### **Can Medical Mutual help me track health plan performance reports so I know how claims dollars are being spent?**

In addition to the convenient monthly payments with the Balanced Solutions program, complete reporting will be available to show how the program is benefiting you. This reporting includes:

- A pre-renewal report package with claim information and volume, the projected settlement and likelihood of receiving a Balanced Solutions refund.
- An Annual Settlement Statement will be sent approximately three months after the end of your 15-month settlement period. This will show you final claims activity under your stop-loss program. If actual claims were below your payments, your refund will be included. If actual claims exceeded your payments, you have no further liability.

### **I'm worried about dealing with protected health information on claims reports and meeting HIPAA protocols. Will Medical Mutual help with that?**

Our reports exclude protected health information.

### **How do I qualify for a refund?**

After making your 12 monthly payments, you will have paid for claims administration, stop-loss premiums, maximum claims liability and a run-out feature. The 12-month total is the most you will ever pay. If your group's actual claims are less than the maximum claims liability, you will receive a refund. An additional enhancement includes a run-out feature that allows Medical Mutual to calculate your refund eligibility three months after your contract year ends.

### **Here is an example to show you how it works:**

Total monthly program cost:	\$41,666.67
Annual maximum cost:	\$500,000.00
Projected claims liability:	\$325,000.00

If actual claims as of month 15 (including the estimated run-out feature) are less than \$325,000, you will be refunded at two-thirds the difference.\*

If actual claims as of month 15 (including the estimated run-out feature) are \$325,000 or more, you will not receive a refund. However, your stop-loss insurance and run-out feature ensure you never have to pay more than your maximum claims level.

This is a simplified example, and your coverage choices and group size will determine your actual program costs and maximum claim liability.

### **Can Medical Mutual still help with our dental, life insurance and vision coverage?**

Yes. Dental, life and vision coverage are available outside of the Balanced Solutions claims funding program. For more information, contact your broker or Medical Mutual representative.

\*Group must agree to renew to be eligible to receive surplus distribution.



### **What online tools will be available?**

As your healthcare partner, Medical Mutual offers online tools to make managing healthcare coverage easy for you and your employees. Our state-of-the-art electronic enrollment system allows employees to enroll at work or from home.

#### **EmployerLink**

With EmployerLink, you can quickly take care of your day-to-day health management duties:

- Add/cancel employees
- Change personal and dependent information
- Order ID cards
- Pay your monthly bill
- View certificates of coverage

#### **My Health Plan**

It's easy for plan participants to understand and maximize the value of their Medical Mutual health insurance plan when they log in to our online member website, MyHealth Plan. Participants:

- Access their personal dashboard for an instant snapshot of their benefits

- Know what's covered and what they'll pay
- Review claims, Explanation of Benefits statements and payments
- Manage their communication preferences — go paperless
- Find exclusive discounts on health-related products and services

#### **Mobile App for iPhone and Android Devices**

With the MedMutual mobile app, your employees can use their health plan more effectively wherever they go. The app allows members to:

- Access their ID card from their phone and email or fax it to their healthcare providers
- Find in-network doctors, hospitals and urgent care facilities and get directions to the nearest location
- View claims, deductible and out-of-pocket spending information



# Medical Mutual: A Tradition of Service

**A trusted insurer for more than 80 years, Medical Mutual is the oldest and largest health insurance company headquartered in Ohio. Our Ohio-based employees pride themselves on their service to our customers and communities.**

## **We're a mutual company — and we work for you**

As a mutual health insurance company, Medical Mutual is owned and operated for the benefit of our members, with products and services designed and priced in your best interest. Unlike publicly traded insurance companies that must operate to maximize their financial return, we don't answer to stockholders and Wall Street analysts.

## **Ohio's largest network of doctors and hospitals**

Most people have specific doctors they want to see. Our network of providers is the largest in Ohio, giving your employees access to nearly every healthcare professional in Ohio and 99 percent of the hospitals. We partner with national network providers to make sure members can get the same reliable care wherever they are — at home, traveling for business or on vacation.

## **Local customer service, just a phone call away**

Our employees work and live in Ohio — just like yours. So we're equipped to service the specific needs of your business. Our award-winning Customer Care department handles thousands of calls a day, providing prompt response to customer needs and questions. Nearly 94 percent of our calls are resolved during the initial contact. We also process thousands of claims each day, with 99 percent accuracy.

## **Giving back to the communities we serve**

We invest in your communities, because they are our communities, too. Medical Mutual is dedicated to improving the quality of life in the communities we serve by supporting non-profit and charitable organizations. Every year, our employees contribute thousands of hours as volunteers for community events and initiatives focusing on health, wellness, education and many other worthwhile causes.

## **Our employees are your customers**

As our customer, you are automatically enrolled in Mutual Appreciation, Medical Mutual's employee incentive program. The program encourages our more than 2,400 employees to shop with our customers through regular prize drawings, special promotions and other sales opportunities. To date, Medical Mutual employees have supported customers with more than \$87 million in purchases.







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**Medical Mutual**

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