



## Why Self-Funding?

No one likes to open a monthly billing statement without being reasonably sure of the amount due. Employee benefit administrators particularly don't like putting corporate funds on the line to pay unpredictable claims costs from contracted fully-insured health plan carriers—and the higher premiums that might follow. This billing system presents a major financial budgeting challenge for many companies.

At Paradigm Health Plans®, we believe that in order for health plans to work for Employers and their Employees, coverage must provide adequate financial protection without sacrificing access to high-quality care—and without wondering how many times you'll have to reforecast your budget this year.

Financial protection has become especially important since the Affordable Care Act (ACA) raised the bar on workplace health coverage with new regulations. The challenge for Employers is to comply with the new ACA rules without spending more than they can afford on premiums or claims. Some see a new healthcare landscape that's booby-trapped with surprise tax penalties for those who don't—or can't—comply.

Every Paradigm Plan is designed to improve Employee health while meeting all Affordable Care Act mandates. We offer a wide range of “big picture” solutions—including flexible plan designs and funding options—for smooth operation of your health plan without sacrificing care quality.

## Control Costs with Self-Funding

**Self-funding gives you control over your healthcare costs... and saves money for you and your Employees!** With a self-funded plan, the Employer assumes the risk and responsibility of paying medical claims. Employers also set premium rates, based on your company's claims history.

### Self-funding benefits Employers in three ways:

**1**

Lower administration costs

**2**

Greater flexibility in plan design

**3**

More fluid cash flow within the business



Self-funded Clients enrolled in Paradigm Health Plans' Member 360 Program **saved an average of 27%-32% on claims** for each year their Employees were enrolled. Those savings rose even further when Employers chose our three-year rate option.

## Level Funding for Stable Planning

**Employers who don't like unpleasant surprises on monthly claims bills can add level funding to their self-funded plan.** Paradigm Health Plans' level funding program helps Employers budget health coverage costs more effectively.

Clients pay a set amount each month for:

- Plan administration
- Expected claims for the month, based on underwriting projections (not on local community rates, which might be higher)
- Stop-loss insurance for protection against extremely high, unpredictable claims.

After 12 equal monthly payments, Clients own nothing more! Paradigm Health Plans pays Employees' claims throughout the year. If, at the end of the year, Employer payments exceeded claims, you'll receive a 100% refund of the surplus you paid.

Paradigm's level-funded plans also provide detailed utilization trend reporting, giving you important information about where Employees might be causing overspending. Another advantage is having fewer governmental regulations—depending on your state and your business—than fully-insured plans are subject to.

The healthcare industry is moving away from rigid, fully-funded carrier-contract plans and toward self-funded and level-funded alternatives. **Paradigm Health Plans' solutions give Employers greater control over health-plan budgeting, empowering you to re-invest plan savings in your most valuable assets: your Employees.**