



You can't manage what you can't measure.



# Split-funded Health Plan

Fully insured medical plans are becoming the trend at an alarming rate. Annual premium increases of 16% to 20% are becoming commonplace. With employee benefits being the number two cost for an employer, what are your options to control these costs?

Large employer groups traditionally self-insure their medical plans because of the cost savings and flexibility that self-funding offers. Smaller employers traditionally adopt fully insured programs to lesson risk.

The answer? Do both!

## What once was old is new again...and improved!

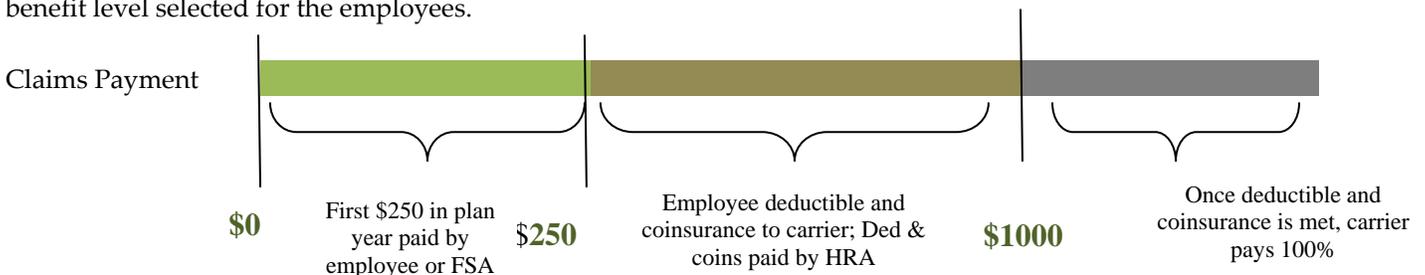
Split-funded health plans have been in operation for many years. In fact, before HMO plans, split-funding was a common practice for employer groups to control self-funded risk and premium risk. This flexibility is still available today, and now split funding has the additional advantages of accessing deep discounts through the network of physicians and hospitals provided by the fully insured High Deductible Health Plan.

The concept of split funding takes advantage of the benefits of self-funding, while also reducing risk by combining with a fully insured plan.

- Mitigate risk with a fully insured High Deducible Health Plan.
- Provide flexibility of plan design through the self-funding of the underlying deductible and coinsurance.
- Lessen self-funded costs by "piggybacking" off the fully insured plan's network fee schedule.
- Introduce "consumerism" slowly and based on the requirements of the employer and employee.

## How does it work?

Instead of purchasing a traditional fully insured HMO, POS or PPO plan, the employer purchases a "cost share" health plan. A cost share plan features high deductibles and/or high facility (Hospital) coinsurance. Once the health plan has been determined, the employer "self-insures" the difference between the fully insured health plan and the benefit level selected for the employees.



### Split Funding

- Flexible plan designs
- Stop-Loss provided by High Deductible Health Plan
- Network access through High Deductible Health Plan
- Self-funding through HRA
- Web-based explanation of benefits and claim look-up
- Online eligibility maintenance
- Online open enrollment
- HIPAA secure messaging
- Document and form library
- Savings over traditional coverage

### Why Split Funding

Insurance premium is weighted heavily for "first dollar" coverage. Why pay a higher rate if you can offset the premium load for first dollar coverage through a split-funded plan?



Welcome to your on-line Healthcare Benefits Web Portal!

## Information Systems and Enrollment Eligibility

The Seneca Group, Inc., uses the MediWeb application to provide integrated eligibility and claims access. The MediWeb applications operate as a Web-based “hub,” providing access to the employer, employee and vendor. Confidentiality and protection of personal health information is one of MediWeb’s highest priorities. MediWeb maintains a privacy policy in accordance with HIPAA standards. All data is safeguarded with state-of-the-art security measures for authentication and data encryption. All information transmitted between members’ Web browsers and the Web site is further protected using 128-bit Secure Socket Layer (SSL) encryption.

**Employer Tools:** Through the MediWeb application, employers will have access to an SSL-secured Web portal to add, change and delete members from any vendor that provides benefits.

**Employer Reporting:** All reports are real time and can be automated for specific times. MediWeb offers three commonly used reports: Benefit Utilization, Specific Report and Claims Summary. The MediWeb application also provides the ability to run *ad hoc* eligibility and claims reports.

**Online Enrollment:** The MediWeb application provides an online open enrollment feature. The application also has a single access for all coverages offered by the employer. Depending on the vendor selected, MediWeb sends to the vendor daily eligibility files to ensure an accurate enrollment.

**Member Tools:** Depending on the benefits offered with the membership, MediWeb provides an integrated member-based portal. If an employer adopts the debit-card-based FSA through MediWeb, their membership will have online access to their account balances. Through the MediWeb portal, members can view any FSA/HRA claims submitted.

## About Seneca

Founded in 1994, The Seneca Group, Inc., provides quality, cost-effective health benefits administration to employer organizations, unions and municipalities through clinical expertise, benefits design and advanced technology systems. As a client of The Seneca Group, you will better understand and manage the issues and risks related to your employee benefits package. You will gain more control over benefit costs without compromising your benefits.

If you’re looking for higher-quality service that delivers value, turn to The Seneca Group.

Please contact us at 631-577-4092.

