

Small Business Funding Solutions

Simplified • Aggregate Protection • Self-Funded

Self-Funded Protection for Your Group

Louisiana Blue’s Small Business Funding Solutions (SBFS) is an exclusive aggregate-only, stop-loss product. We simplify the self-funding process by covering all eligible claims under a single aggregate attachment point. When you choose Small Business Funding Solutions you don’t need separate, specific stop-loss coverage.

Small groups fully fund their claims accounts each month based on an aggregate attachment point. Plan Sponsor retains plan fiduciary responsibility.

Benefits:

- Built-in monthly aggregate accommodation stabilizes cash flow and protects the plan from claims volatility.
- Fully incurred or mature claims funding basis
- Unlimited annual maximums
- The groups, not the insurance company, receive surplus of any funds that remain in the claims account.

SBFS Claims Arrangements:

- **Quoting:** “Mature” quote indicator on Quote Qualifications page from Underwriting
- **Claims Funding:** Claims priced on an incurred or mature claims funding basis.
- **Claims Funding Settlements:** Settlements will not be performed until 15 months after the close of the contract year with groups receiving final results within 17 months after the close of the contract year (60 days to work the settlement).
- **Run-Out Claims Liabilities:**
 - **If a group terminates off anniversary,** contract terminates immediately without any option for the group to request run-out claims administration.
 - **If a group terminates on anniversary,** claims funding will consider all run-out claims liabilities.
- **Reporting:** Groups are eligible to receive standard reporting packages based on the group’s size. Standard reporting available in the Group Reporting Portal.

What Solution is Best for My Group?

SELF-FUNDED

- ✓ Pay a fixed cost per class of coverage per month
- ✓ Fund monthly claims payments along with unexpected claims fluctuations
- ✓ Retention of year-end claims account balance
- ✓ Lower administrative cost structure
- ✓ Full access to plan’s claims experience
- ✓ Federal ERISA preemption of state mandates

vs.

FULLY INSURED

- ✓ Pay a fixed cost per class of coverage per month

FEATURES

- No separate specific stop loss
- Fully funded monthly
- Client retains 100% of aggregate (claims fund) surplus
- Monthly accommodation
- Unlimited maximums available
- Standard Large Group plan designs

Self-Funded Arrangement Options

Which Louisiana Blue self-funding arrangement best fits your health plan's needs to lower healthcare costs and mitigate rate increases?

	1. Small Business Funding Solutions (aka Level Funding)	2. Administrative Services Only (ASO)
Group Eligibility	25-250 enrolled contracts/employees	100+ enrolled contracts/employees or 50+ enrolled contracts/employees with Louisiana Blue as stop-loss carrier
Payment Obligations	<ul style="list-style-type: none"> • Fixed monthly claims administration fee • Fixed monthly stop-loss fee • Fixed monthly medical/Rx claims funding • Group receives 100% of all claims funding surplus 	<ul style="list-style-type: none"> • Fixed monthly claims administration fee • Fixed monthly stop-loss fee • Variable weekly medical claims invoicing • Variable monthly Rx claims invoicing
Claims Run-out Services	Claims priced on a mature or incurred basis	Flexible (separate agreement with multiple options available)
Stop-loss Coverage	Standard aggregate-only paid contract	Flexible (multiple options available)
Risk Level	Limited (aggregate stop-loss coverage included)	High (stop-loss coverage varies)
Benefit Design	Standard (Louisiana Blue plan designs required)	Flexible (Louisiana Blue custom plan designs available)
Pharmacy Benefit Management Services	Standard (Louisiana Blue Pharmacy Benefit Management services required)	<p>Standard for groups with <500 enrolled contracts (Louisiana Blue Pharmacy Benefit Management services required)</p> <p>Flexible for groups with 500+ enrolled contracts (Louisiana Blue Pharmacy Benefit Management services highly recommended for lower medical costs and improved health outcomes)</p>
Cost Management/ Value-added Services	Standard (Louisiana Blue programs included)	Flexible (Louisiana Blue buy-up options available)

SMALL BUSINESS FUNDING SOLUTIONS RFP REQUIREMENTS

Our program is designed for groups with 25-250 participating employees.

The information outlined below will give our Underwriting Department the information it needs to generate a quote. You will need to submit this quote along with your request for proposal (RFP) form.

Group Size **25-99**

FOR GROUPS THAT ARE CURRENTLY FULLY INSURED, GROUP SIZES 25-99 ENROLLED CONTRACTS:

- Company information
- Electronic census in Excel format including gender, date of birth, ZIP code, enrollment class and active or retiree status
- Group Health Questionnaire—completed within 30 days of the RFP
- Current Schedule of Benefits for all benefit plans
- Current fully insured rates
- Copy of group's renewal including renewal rates
- Latest claims experience reporting as required by Louisiana Revised Statute 22:978 (E) & (F)

Group Size **100+** or any **Self-Funded** Group (Regardless of group size)

FOR GROUPS THAT ARE CURRENTLY FULLY INSURED, GROUP SIZES 100+ ENROLLED CONTRACTS OR ANY SELF-FUNDED GROUPS:

- Company information
- Electronic census in Excel format including gender, date of birth, ZIP code, enrollment class and active or retiree status
- Group Health Questionnaire—completed within 30 days of the RFP
- Current Schedule of Benefits for all benefit plans
- Fully insured groups—current and renewal rates
- Self-funded groups—current and renewal funding levels
- Schedule of Benefits for the last 24-36 months for all benefit plans and dates of changes
- Last 24-36 months of claims by month by benefit plan and active or retiree status
- Last 24-36 months of enrollment numbers by benefit plan and active or retiree status
- Last 24-36 months of large claimants with diagnosis, treatment and prognosis

Talk to your broker or Louisiana Blue representative for more information.