

3 WAYS BROKERS CAN ENSURE A POSITIVE CLAIMS EXPERIENCE FOR SELF-FUNDED CLIENTS



As brokers look to provide tangible value and retain clients, here's an important question to consider:

Have you done everything you can to protect your self-funded clients from the headaches and financial impact of catastrophic claims?

Catastrophic claims have been mounting – both in absolute numbers (incidence) and in cost (severity). According to the [third annual Sun Life stop-loss research report](#), which looks at data from 2011 to 2014, there is a staggering trend in the number of claimants with stop-loss claims that topped \$1 million:

- The number of million-dollar plus claims reaching the carrier went up 68 percent, and claims exceeding \$2 million more than doubled.
- Paid stop-loss claims climbed from \$63.1 million to \$347 million.

When legitimate catastrophic claims occur, employers should not have to worry about whether they will be reimbursed, nor should they be subjected to an unreasonably long delay in receiving reimbursement. If these things happen and the employer becomes frustrated – right or wrong – they're likely to blame their broker.

"If the claims process goes badly, either through a long, arduous and unreasonable delay, or worse, a claim denial, the customer will rightly ask why they were placed with that particular carrier," said Gerald Gates, president of Stop Loss Insurance Services, the nation's leading stop-loss wholesaler. "Not all stop-loss carriers and policies are created equal. Clients have and will fire brokers in these instances. Therefore, brokers should not take the decision of where they place their valued clients' stop-loss coverage lightly; it may come back to hurt them."

Self-funding with appropriate stop-loss coverage in place is a smart and cost effective strategy for many employers. There are a number of things the benefits professional should do to ensure the best possible outcome for their self-funded client. Here are three important tips:

1. **Don't be passive:** Closely monitor and analyze your clients' claim experience at least every month.
 - a. Be sure you are receiving and reviewing regular reports from your clients' third party administrator and uncovering any trends that may be pointing toward large claims. This can be challenging when a "BUCA" is acting as the claim administrator.
 - b. When reimbursement claims are filed with the carrier, carefully track the progress and timeliness of the adjudication processes and adherence to policy and plan document provisions. Facilitate the gathering of supplemental information that may be needed by the claims examiner.
 - c. If you do not have the professional resources available (or the personal time) to perform these services, work with a specialized intermediary that will do so for you, allowing you to bring added value to your client.
2. **Communicate early and often:** Brokers need to gather information to prepare themselves and their clients if a poorly performing case is up for renewal. With business that has to be resold each year, communication is key. Beyond compiling and analyzing monthly claim data, keep your client informed about trends. If claims are running higher than expected at mid-policy year, meet with your client to review results; most employers welcome this information and want to develop strategies to address problems. Don't let a higher than expected (but fair) renewal quote come as a shock. If there is potential for a healthy rate increase, discussing it along with strategies to address it is critical.

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CONTACT

For more information, please reach out to your local AmWINS broker. If you do not have a contact at AmWINS, contact marketing@amwins.com.

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- 3. Mitigate risk and maximize outcomes:** This can be achieved by utilizing specialized products and services that can impact costs in the most common causes of catastrophic claims such as organ transplant, specialty drug therapies, cancer treatments, renal disease/dialysis, etc. Having access to vendors who can coordinate these programs or connect you to them is necessary in limiting the impact these claims can have on your client's funds. Talk with stop-loss carriers, trusted intermediaries, and even case management companies to develop a strategy should a singular claim event or chronic condition occur. Knowing the right steps to implement these at the time they happen - from releases needed to which entity should take point in which situation, will allow for the best engagement and results for your client and their members.

No one wants to see catastrophic claims occur. When they do, it is critical that the benefits professional has put the right measure in place to protect the client's assets, effectively manage the claim, achieve positive outcomes, and ensure fair and fast claim adjudication. The timely and proper handling of claims can be a critical "moment of truth" for self-funded clients, and benefit professionals must continually be looking to support their clients when they need them most.