



Self-Funding Gives You Control of Your Employee Benefits Costs

Rising healthcare costs and recent healthcare reforms have driven more and more employers to wisely consider self-funding their medical benefits.

Self-funding is a proven method to controlling costs. More than 80% of employees in the U.S. are covered by a self-funded health benefit plan. Education on the mechanics of how it works could be the single best investment you can make. **When you choose self-funding with Custom Design Benefits, you put your company in a position to drive savings.**

Self-funding with Custom Design Benefits offers:

- Control over your benefit plan
- Improved cash flow, as claims are funded as they are paid
- Exemption from federal (PPACA) mandates and most state premium taxes
- The power to adapt cost containment strategies and wellness programs tailored to your population
- Greater knowledge about what you're spending through detailed reporting and analysis

What CDB does differently:

Meaningful reporting to analyze performance and cost drivers

One point-of-contact for the employer, customer service and account management

Expertise in plan design and cost savings opportunities

Personalized, professional customer service

Quick problem detection and resolution

Control

Self-Funding vs. Fully-Insured Coverage

With a fully-insured product, an employer signs up for a rigid fixed plan and pays a monthly premium, whether claims occur or not. Even if the employer does not use the amount of healthcare he paid for, the insurance company still retains the premiums, and therefore, the benefit dollars. The employer has little to no access to reports to justify their premium increases. Transparent reporting on all medical and pharmacy spending provides the plan administrator with information to educate employees and family members on the best outcomes and best value in healthcare.

In a self-funded plan, the employer creates a customized plan design and takes the responsibility for funding its own account. The employer assumes the risk up to certain limits. But at the end of the day, if claims are not incurred or paid out, **the employer retains the money, and therefore, the benefit dollars.** In self-funded plans, the employer has access to full reporting, allowing them to budget properly for potential future claims.

FULLY-INSURED	SELF-FUNDED
State AND Federal Mandates	Federal Mandates Only (ERISA)
Fixed Plan Designs	Customized Plan Designs
State Premium Taxes	Taxed on Stop-loss Premium Only
Level Cash Flow Month-to-Month	Variable Cash Flow Month-to-Month
Pay 100% Premiums Each Month	Claims Paid as Processed
Canned Reporting	Access to Full Reporting

Comparison of Fully Insured vs. Self-funded





Custom Design Benefits Gives You Control

The most important question companies ask about switching to self-funding is what is the most they could be expected to pay? At Custom Design Benefits, we give you solutions that **mitigate your risk and help you contain costs**. To shield the employer's plan from high costs, employer-sponsored plans use the financial protection of excess loss or stop-loss.

This coverage allows you to limit your exposure for each individual and for your population as a whole. Stop-loss coverage limits the financial exposure to the self-insured plan, allowing you to leverage all of the benefits afforded through ERISA, the federal law governing self-funded benefits.

As more companies discover the benefits of self-funding, companies selling fully-insured health plans began offering their version of this healthcare benefit plan, known as Administrative Services Only plan or ASOs. But don't settle for this partial solution. ASO plans written by insurance companies retain many of the characteristics of their fully insured plans. **Custom Design Benefits, as a qualified Third-party Administrator (TPA), provides your company with all of the benefits of a custom self-funded solution.**

93% of companies never hit their maximum liability

The average benefits spend is **93.5%** of expected claims

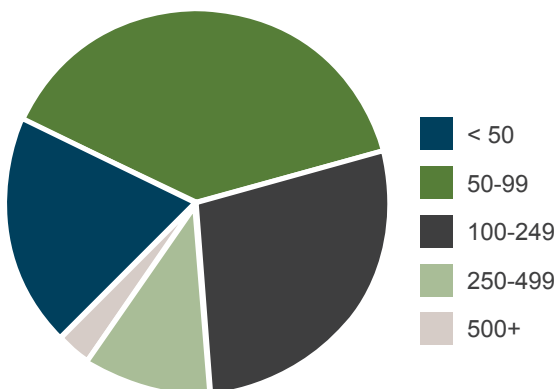
Most companies experience the greatest savings of self-funding as a long-term investment over several years resolution

Who Is A Good Candidate For Self-Funding?

Virtually any size company can explore self-funding for its medical benefits. Custom Design Benefits has designed and created programs for companies with greater than 50 employees. Companies that succeed with self-funding typically have:

- A Stable Workforce
- Good Cash Flow
- Want Control
- An Internal Champion for Cost Savings
- Greater Value in their Benefit Plans
- Want Access to Data to Make Informed Decisions
- A Need for Greater Flexibility

Distribution of CDB Clients By Size



With Custom Design Benefits, your company receives personalized service so you can:

- Ensure you have a competitive benefits package to **attract and retain** talented employees
- **Customize** your benefits to meet the needs of your business and employees
- Gain greater insights into your benefits spending and **take control of your spend**



**Innovative & Strategic
Cost Containment**

**Personalized, Professional
Customer Service**

**Integrated Technology
and Access to Data**

**Contact us today to learn how Custom Design
Benefits can deliver for your business.**

5589 Cheviot Road, Cincinnati, Ohio 45247
Local 513.598.2929 | Toll Free 1.800.598.2929

www.CustomDesignBenefits.com