



**USBenefits**  
Insurance Services, LLC

# Stop Loss 101

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# Who are we?



**USBenefits Insurance Services, LLC** (USBenefits) is a full service Managing General Underwriter, providing Medical Stop Loss Reinsurance for employer groups through qualified Third-Party Administrators (TPA) and select brokers / consultants. We have complete responsibility for all administration, claims and underwriting decisions pertaining to its medical stop loss program. Our team includes Claims, Underwriting, Administrative, and Marketing departments that work in concert to deliver financially stable stop loss products.



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# Fully Insured vs. Self-Insured

## Fully Insured:

Health insurance companies or Health Maintenance Organization (HMO) assumes 100% of the risk in exchange for an agreed upon premium amount. The employer is not financially responsible or liable for claims.

VS.

## Self-Funded:

A self-insured group health plan (or a 'self-funded' plan as it is also called) is one in which the employer assumes some the financial risk for providing health care benefits to their employees. In exchange, the employer's premium may be reduced for retaining some risk.



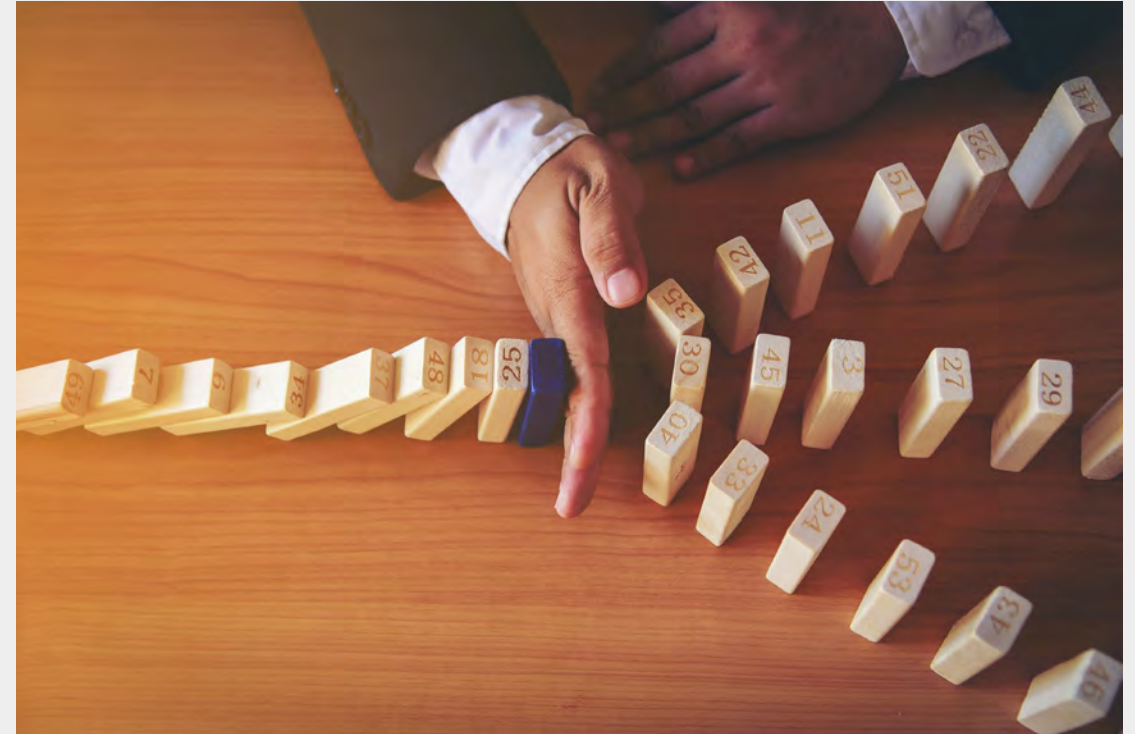


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# Why Should You Invest in Stop Loss?

By incorporating stop loss into your insurance risk management practices, you are limiting your risk - safeguarding against high claims.

**Stop Loss** allows employers to benefit from self-funding while limiting the associated risk from a single catastrophic claim and/or limit overall claim liability. Employers integrating these concepts into their insurance strategies are taking this one-step further and investing in technologies that they can utilize to show historic cost trends and forecast future spending.



# Rising Costs

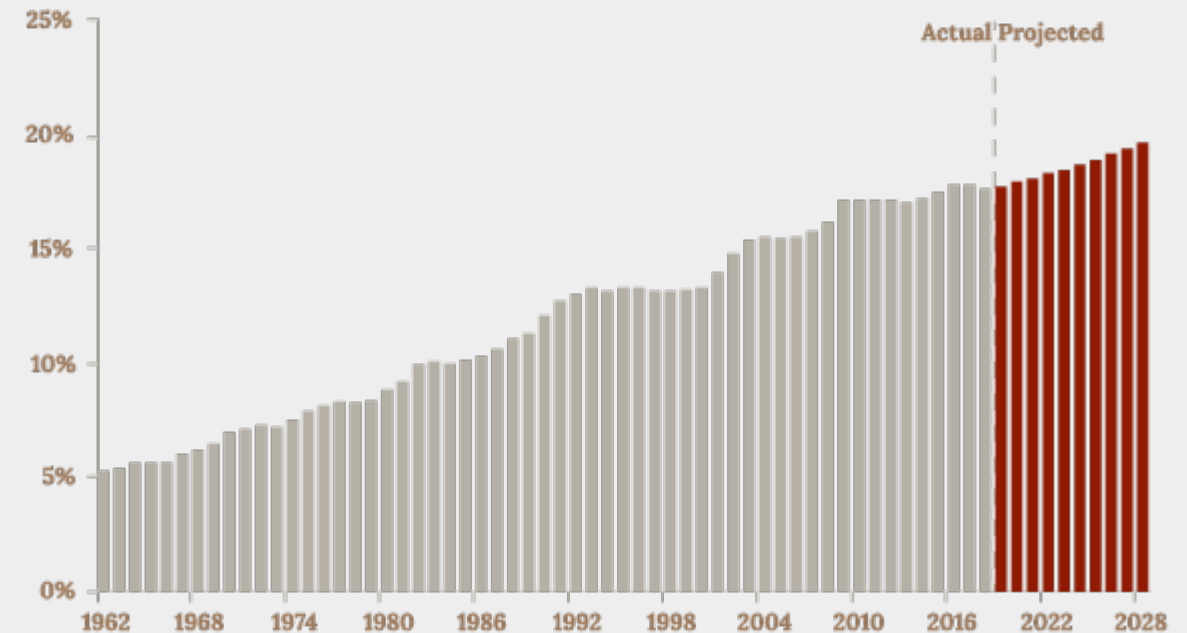


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Healthcare costs in the United States have increased drastically over the past several decades

Rising cost of healthcare in America year over year healthcare cost not only represent a huge expense, it also significantly outpaces the rate of inflation.



Source: Centers for Medicare and Medicaid Services, National Health Expenditure Data, March 2020  
© Peter G Peterson Foundation PGPF.ORG

# Stop Loss Claims



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**The continued cost of healthcare is having an impact to premiums and employee out of pocket amounts.**

Your stop loss partner should care about your healthcare costs as much as you do –that is what we do best at USBenefits.



# Stop Loss Coverage



**Stop loss insurance** (also known as excess insurance) is a product that provides protection against catastrophic or unpredictable losses. It is purchased by employers who have decided to self-fund their employee benefit plans, but do not want to assume 100% of the financial liability for losses arising from the plan. Under a stop loss policy, the stop loss carrier becomes liable for losses that exceed certain limits known as specific and aggregate coverages.

**Specific Stop Loss** is the form of excess risk coverage that provides protection for the employer against a high dollar claim on any one individual. This is protection against abnormal severity of a single claim rather than abnormal frequency of claims in total. Specific stop-loss is also known as individual stop loss.

**Aggregate Stop Loss** provides a ceiling on the dollar amount of eligible claims that an employer would pay, in total, during a contract period. The carrier reimburses the employer after the contract period for the amount exceeding the aggregate stop loss, if any.

# Specific Contract Terms



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- Contract options 12/12, 12/15, 12/18, 15/12, 18/12, 24/12.
- The first number is the incurred dates (date of service) of the claim(s), the second number is the months in which the claim must be paid.
- Example: 12/15 contract that begins on January 1, 2022.
- 12 – months of coverage for claims incurred or dates of service are from January 1, 2022, through December 31, 2022 (contract year).
- 15 – months to pay claims incurred during the contract year for payments processed between January 1, 2022, through March 31, 2023.







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# Aggregate Contract Terms

- Aggregate coverage can be added to your existing Specific Contracts (i.e. 15/12, 18/12, 24/12).
- Unlike the specific stop loss, the aggregate stop loss threshold is usually variable and not fixed, as it's associated with the employer's enrolled employees.
- The aggregate stop-loss coverage is determined by several variables, such but not limited to an estimated value of claims per month, and the number of enrolled employees.





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# Underwriting

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# Underwriting Disclosure

## What is the purpose for the disclosure process?

To identify future risk based on current or past known risk.

Unknown medical cost or risk could impact the stop loss rate.

On-going claim risk will require underwriters to consider option such as additional premium charge for the group, aggregating specific deductible on the group, or a higher deductible (laser) for a specific individuals.





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# What does USBenefits provide?

Direct access to underwriters and claims personnel.

Highly competitive rating consideration available for referenced based pricing plans.

Lock-in rates, terms and factors “firm” when contingencies and disclosure issues are finalized up to 60 days prior to effective date. For existing TPA case, 45 days if a TPA takeover case, or if a fully-insured case.

## USBenefits Quote Submission Requirements:

Company name

SIC Code

Physical Location

Census Data should include

- Date of Birth
- Gender
- Employee zip codes
- Dependent status
- Employment status

Multi-location groups must provide zip codes for all business locations

Rate history, minimum 2 years

Current benefit plan, requested benefits, current certificate of coverage

Claims data and enrollment data, minimum of 2 years





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# Claims

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# Claims



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**Specific Advancement** (Advance Funding) is a standard feature with every Excess of Loss contract issued. USBenefits reimbursement turn around time is 5/10 days.

**Monthly Aggregate Accommodation** is in addition to the Specific coverage. Claims paid year-to-date applying toward the Aggregate coverage exceed the year-to-date Attachment Point, proof of loss must be submitted as a claim.

**Reimbursements** utilizing Automated Clearing House (ACH) allows for a safer and faster way to receive claim payments.

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The image shows a 'Specific Excess Reimbursement Request Form' from USBenefits Insurance Services, LLC. The form is divided into several sections:

- Header:** USBenefits Insurance Services, LLC logo and title 'Specific Excess Reimbursement Request Form'.
- Form Fields:**
  - Specific Deductible:** Initial, Supp., **Advance Funding** (highlighted with a red box).
  - Claim Basis:** 12/12, 12/15, 12/18, 24/12, Other.
  - Group Name:** \_\_\_\_\_ **Co-Insurance:** \_\_\_\_\_ **COB:** Yes No.
  - Plan deductible:** \_\_\_\_\_
  - TPA:** \_\_\_\_\_ **Plan effective date:** \_\_\_\_\_ **COBRA:** Yes No **effective date:** \_\_\_\_\_
  - Employee:** \_\_\_\_\_ **EE effective date:** \_\_\_\_\_ **EE date of hire:** \_\_\_\_\_
  - Subrogation or third party recovery potential:** Yes No.
  - Patient:** \_\_\_\_\_ **Plan:** \_\_\_\_\_
  - Date of Birth:** \_\_\_\_\_ **Original plan effective date:** \_\_\_\_\_
- Section A - Verification:**
  - Employee:** \_\_\_\_\_ **ID Number:** \_\_\_\_\_ **Contract effective:** \_\_\_\_\_
  - Dependent relationship:** \_\_\_\_\_ **ID Number:** \_\_\_\_\_ **Contract effective:** \_\_\_\_\_
  - Was employee active on the date of illness/injury?** Yes No
  - If not, please explain continuation of coverage:** \_\_\_\_\_
- Section B - Diagnosis: Please explain in detail**
- Table:** A large table with multiple columns for tracking claims, including 'DATE OF SERVICE', 'AMOUNT PAID', 'DATE OF PAYMENT', 'DATE OF RECEIPT', 'DATE OF CLOSURE', 'DATE OF REVIEW', 'DATE OF REIMBURSEMENT', 'DATE OF PAYMENT', 'DATE OF RECEIPT', 'DATE OF CLOSURE', 'DATE OF REVIEW', 'DATE OF REIMBURSEMENT'.
- Page and Totals:** 'PAGE OF' and 'TOTALS' fields.

# Paid Claim



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Medical charges that are covered and payable under your plan, those charges have been adjudicated and approved by your claim's administrator. The check or draft that was issued to the provider was completed within the contract terms of the stop loss policy period.



# High-Cost Care/Drugs



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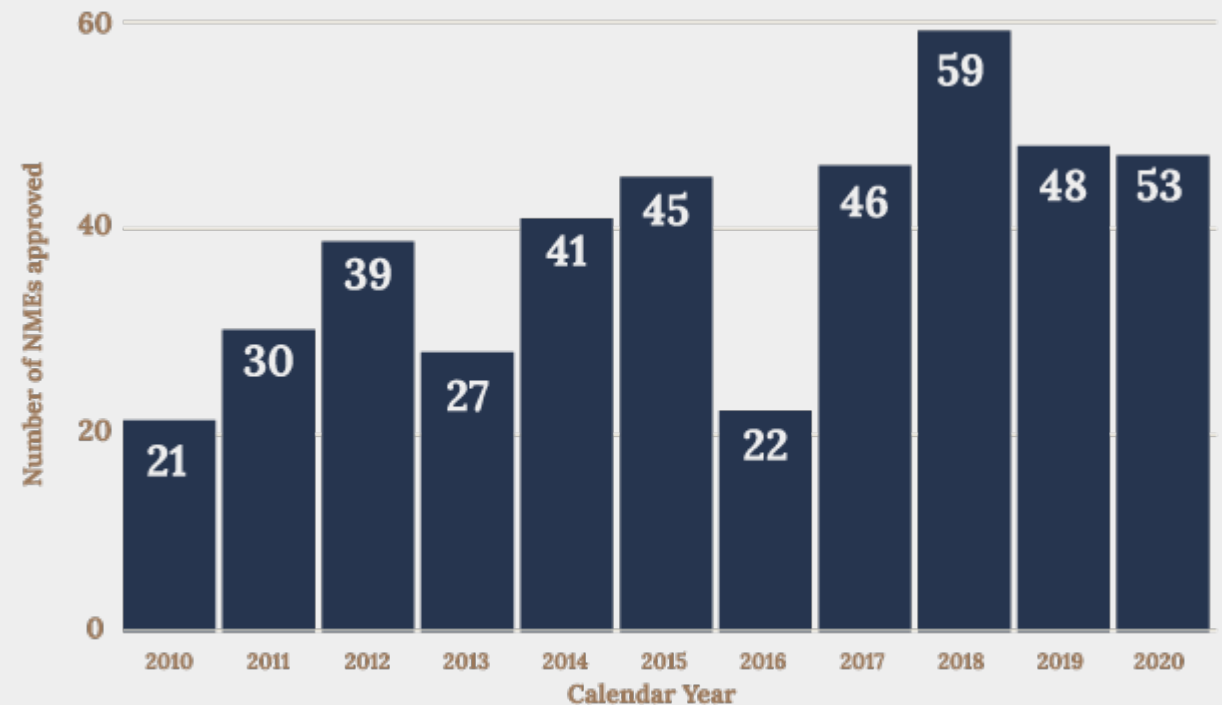
## Gene/Cell Therapy Drugs

Zolgensma - \$2 million per dose.

Luxterna - \$850,000 (\$425,000 per dose).

The last three years have seen 160 new drugs approved, which is the most in any three-year period.

Figure 1: Number of New Molecular Entities (NMEs) Approved by the US Food and Drug Administration Center for Drug Evaluation and Research, 2010 to 2020



Source: US Food and Drug Administrations Center for Drug Evaluation and Research



# Cost Containment

**USBenefits** assists in containing claim costs. Our claims department will engage third party vendors that can negotiate pre-paid claims for a deeper discount. This added benefit saves the employer and the employee on further claim cost.

Medical bill review is another way that we can reduce the cost of your claims. Don't pay for something that may be excluded in your plan or could be a non-covered item.



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**AVANDE**



**MedWatch**  
Empowering People. Improving Lives.





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# Thank You

Please contact us for questions at  
**usbstoploss.com** or **info@usbstoploss.com**

Phone: 877-877-4USB (4872)

RFP's – **quotes@usbstoploss.com**

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