

Self-Funding Checklist for Employers



Implementing the right benefits strategy can be a difficult decision and an indispensable part of the growth and success of a company.

Ahead of your next renewal, be sure you're asking the right questions and obtaining the critical data you need to help your company manage healthcare costs and consumption.

Get started with the checklist below.

1 Ask for savings beyond network discounts

Most health plans apply network discounts to save on provider costs, but savings can't end there.

- Ask about what your carrier or administrator is doing to further manage cost and consumption
- Verify the hard-dollar savings you're achieving through these measures
- Resource:** [Beyond network discounts: How employers are actively managing healthcare costs](#)

2 Know the price variance in your market

The first step to addressing price discrepancies in your network is obtaining transparent pricing information.

- Start by knowing average costs for common procedures in your zip code(s) and how much your plan could be overpaying each year
- Then, use this data to ask how healthcare partners will increase utilization of high-value, fair-priced facilities
- Resource:** [Request a price variance report for your zip code\(s\)](#)

3 Audit the claims oversight process

Leading employers work with independent administrators that act in your company's interest and are not beholden to other parties (insurance carrier, hospital system, investor group, etc.). In addition to acting independently, an effective claims oversight process goes beyond simply processing claims.

- Ask how your carrier or administrator carries out their due diligence on your behalf, such as:
 - Discovering the presence of other insurance, large claim audits, and unique provisions that protect against avoidable plan liabilities
- Resource:** [Managing claims expense: The opportunity for self-funded employers](#)

4 Validate the impact of clinical outreach programs

Ensure your carrier or administrator is adding value and positive outcomes with their clinical programs. If your carrier administers case management, disease management, or advocacy, be sure you have complete visibility into key performance metrics.

- For case management* - Ask about employee engagement and the dollar amount of claims prevented
- For disease management* - Consider the percentage of employees successfully managing conditions or who have reduced risk factors (not hypothetical ROI)
- For advocacy* - Validate that member support encounters are resolving healthcare-related inquiries or needs, in an appropriate timeframe
- Resource:** [Questions you might not be asking your self-funded health plan administrator – but should be](#)

You should also notice positive trends in employee healthcare consumerism and satisfaction. Ask for specific case studies from your healthcare partner, if you do not hear them from your staff first.

5 Confirm pharmacy is transparent

It's not uncommon for insurance carriers and other layers in the PBM-placement chain to keep pharmacy rebates, the spread on generic drugs, or other hidden revenues, instead of passing it along to employers.

- Ensure your pharmacy contract works on your behalf and be clear on how many entities are involved / get paid
- Are there potential conflicts of interest that work against your goal of lowering pharmacy cost?
- Do you feel confident that specialty drugs are being effectively audited and reviewed before approval by your PBM?
- Resource:** [8 Questions to ask your PBM](#)

Be sure to ask the right questions to validate that your pharmacy program works for you.

6 Take inventory of the member experience

Just as employers are becoming more involved in how they pay for healthcare, so are employees.

- Are your employees more informed about their healthcare options?
- Do they know where to turn for help?
- Do they get answers quickly and easily?
- Resource:** [The more you know, the less you'll spend](#)

Review the company-specific member experience metrics your carrier or administrator provides – like net promoter score and employee satisfaction rates.

As the landscape of employer-sponsored healthcare continues to evolve, it's important for businesses to stay informed and to consider new strategies that control costs while improving their employees' well-being. [View our infographic](#) to learn seven trends that are driving self-funded health plan success.