**CHOOSING A CARRIER PODCAST**

Nina: You’re listening to Get Smart on Stop Loss.

This episode explores: How to gauge value when choosing a stop loss partner.

I’m Nina Bouphasavanh.

Sharing their thoughts on this topic are Kurt Hagg, Senior Vice President of Sales and Account Management at Optum and Mike Leary, the Regional Vice President of Sales for Optum.

Kurt: Thanks for having us.

Mike: Hi Nina, thanks for having us.

Nina: What’s a key quality or capability employers should look for in a stop loss partner?

Kurt?

Kurt: Sure. I think the first question that I would personally be asking is the carrier going to ensure my employer plan document. If the answer to that is no or even maybe, you potentially have a gap down the road. Once satisfied with the answer to that question then I would ask them what they can provide to help you maximize cash flow from claims perspective along with what clinical expertise and vendors can they bring to the table that is going to help to improve outcome and ultimately help to manage the cost more significantly.

Nina: Mike, do you agree?

I would agree, 100%, in my opinion a number one quality to look for is the strength of the Stop Loss policy, does it have limitations, does it have definition or the exclusions? Number two in my opinion, would probably be, does the carrier pay claims and while that is a little bit less tangible there are carriers out there that tighten up when a claim comes in. They drag their feet they look for language within their policy that would allow them to deny a claim. I would encourage brokers and consultants to ask their peers about their experiences with different Stop Loss carrier regarding claim payment.

Nina: Budget must be a consideration. How do you view pricing when it comes to selecting a stop loss carrier?

Kurt: Price is important but there is additional consideration. So when you take price and you combine it with the policy coverage, the resources that that carrier offers that can be a benefit to the employer, whether or not there is the potential for a return of premium as a result of favorable claim experience. When you factor in all those items that you should expect from your carrier then you combine that with the rate where the price they charge, that equals value. I’m not saying an employer shouldn’t expect an employer to be competitive on price but is value not price alone that has to be on forefront on the questions they should be asking and they should definitely be asking that when the price appear to be too good to be true.

Nina: Mike - what are your thoughts on price vs. value?

Mike: One of my favorite terms is value. I’m a consumer; I make my own decisions every day. I’m also I’m a frugal consumer. I don’t think I’ve ever bought the least expensive item. I look for value. I want a good product at a fair price and Stop Loss is no different. Stop Loss is an extremely important purchase. So it always astounds me when many buyers simply chose the lowest cost on a spreadsheet.

Nina: Well speaking of spreadsheet... why might that be limiting?

Kurt: It is limiting because it only looks at broad picture and only a few items. But, it doesn’t really get in the specifics of how the Stop Loss carrier policy is going to interact with the employers plan document, their vendors, their employer, their broker. How fast claims that are submitted or reimbursed and how the carrier is willing to interact in clinical basis with a third party and other vendor selected by employer or the broker and client themselves.

Mike: There is nothing wrong with using spreadsheet per say. The problem as I see is relying exclusively on that spreadsheet to make a decision regarding a product that is important to Stop Loss. I’ve seen thousands of spreadsheets and and frankly I don’t think I’ve ever seen one yet that compares the nuances between Stop Loss policies.

Nina: How can a stop loss provider help with administrative duties?

Kurt: I think it’s important to have the distinction that we are not administrator; we are not the claim administrator the payer, what have you. Ultimately, we are ensuring the plan document. There is a lot of things that we bring to the table that help us better ensure that plan document and improve outcomes and reduce cost.

Anytime a claim is submitted from a payer. When there is a third party Stop Loss carrier you are going to get a second set of eyes going through that making sure that it was built appropriately that all the eligibility items were in place that were truly covered under the employer’s plan document. We also provide, can have the ability to provide at Optum access to centers of excellent facilities, again, access to other vendors that are not reducing care but improving care. Getting care in the most appropriate place according to that employers plan document and demonstrate outcome and provide suggestions to the employer for the plan document language.

Nina: Is it important to find the best possible partner for you and to stick with that choice? Or is it easy to change carriers?

Mike: It’s easy to change carriers but that doesn’t necessarily mean is the right thing to do. Anytime you move from one carrier to another there is risk that the new policy maybe very different than the old policy and I think most people would agree that one of the most important decision you make in Stop Loss purchase is that actual policy and what is being covered. Are there potential gaps between my Stop Loss policy and my employer plan doc.

Kurt: It’s important to realize not all the carriers are the same. I think you have to answer the question of your incumbent. What they are doing for me? Are they paying the claims that as employers assume they would or rate is increase is fair for the value that I receive?

Does the employer benefit in years they have favorable experience beyond just receiving a lower rating increase? Do they get a return of premium? I think it’s important that they do an annual market review and in that review they may see that either their current carrier or others show a lower price but they don’t necessarily have equal or increased value.

Nina: Thank you so much for your time Kurt and Mike. Thanks to Kurt Hag and Michael Leary. You have been listening to the Get Smart on Stop Loss podcast.