**CONFIDENCE IN COVERAGE (SURPRISE COSTS) PODCAST**

Kurt: It is always you know unfortunate circumstance where you have an employer who felt like they had done their diligent work in terms of researching whether they wanted to be self funded or not buying stop losses from insurance coverage but then having that surprise that becomes a liability.

Nina: That’s Kurt Haag – Senior Vice President of Sales and Account Management at Optum – and this is Get Smart on Stop Loss.

I’m Nina Bouphasavanh.

Like with any type of insurance there can be gaps that leave you open to risk. But there are ways to build confidence in your stop loss coverage.

Joining Kurt and me today to talk about protecting against liability is Ellen Motolo, Director of Medical Clinical Management at Optum.

Ellen – what are aspects of care that are costing employers more than expected?

Ellen: There's actually a lot of them right now because of the cost of specialty pharmacy drugs.

There's also a big increase in cancer treatments. Cancer treatments are more aggressive, more costly, longer. And also, I think site of care is a surprise. In other words, getting your treatment in a facility versus an outpatient facility versus in home.

Nina: Protection from liability can start with the process of selecting a stop loss plan.

What’s a step some employers miss?

Ellen: More often than not they start with a spreadsheet and that spreadsheet is only looking at a few of the things that are contract options, the fixed pricing which always comes into play but they are not drilling into where could be my potential exposure be based on the wording which is in the policy of the stop loss carrier that they are working with. So there is value in the benefits in the features in the contract wording that could end up costing the employers more in the long run by having claims excluded or reduced for payment than what they initially thought just simply from a spreadsheet.

Nina: So, understanding contract language is key. What are some contract phrases and terminology employers and their stop loss partners need to understand?

Kurt: There is a multitude of different things that can happen which surprise employers reasonable and customary, definitions within a stop loss contract can actually cap what the reimbursements going to be for a particular claim even though the employer funded a higher amount. We also see medical necessity language that could be over and above what is built into the employer plan document and if it is not considered medically necessary by the stop loss carrier that particular claim could be excluded from coverage. Also, experimental and investigational language it continues to be an area of focus in potential exposure for an employer.

Nina: You mentioned the plan document, what role does it play?

Kurt: One of the most significant tools an employer has is their plan document. And having a firm understand exactly what costs they want to cover and how those costs are covered is very important.

Ellen: If their plan doc language is strong and they have verbiage in there that supports medical necessity reviews, experimental, investigational, we actually mirror that plan document and work with them collaboratively to ensure that the treatment is appropriate for the diagnosis that's been given for.

Nina: How might that play out for an employer?

Ellen: One is an example where we were – we saw claim come in for $85,000 for a drug that's only used for cancer. The diagnosis the claimant had who was a physician was not cancer related. So we talked to the case manager at the third party administrator and according to their plan doc language, the drug had to be FDA approved for the diagnosis. So, what finally happened with this was that that medication was not medically necessary for this individual and that plan actually saved a good deal of money if you multiply 85 times 12 as well as stop loss carrier.

Nina: It sounds like a key to confidence in a stop loss plan is a strong partner who can collaborate with employers.

Ellen: I think there's more and more brokers involved and even looking at the value of working more collaboratively with different situations. I think the third-party administrators, they're doing the same thing. So, I'm seeing more interested in our customers working towards the value-based options. Because everybody's is seeing the elevation of cost generically and trying to work together to control those.

Kurt: There's a lot of choice in the stop loss carriers out there. And with that choice everyone's different. And so, don't assume just because it's a third party stop loss that all are the same.

Nina: Thanks to Kurt Haag the Senior VP of Sales and Account Management Optum and Ellen Motolo, Director of Medical and Clinical Management for Optum. You have been listening to the Get Smart on Stop Loss podcast.