



The Right Fit

Comparing networks for your self-funded health plan

If you are thinking about switching to a self-funded health plan, you should start by working with a broker or third party administrator (TPA) who can help you create a plan that is best suited for your company. Part of building that plan includes selecting a network of doctors, hospitals and other health care facilities to provide care to your employees.

“When shopping around for a network, it’s important to look at the total cost of care, not just fixed fees,” says Judy Dawson, Sales & Retention Executive, HealthLink. “Remember not all networks are the same, so it’s important to work with your broker or TPA partner to examine each network individually.”

Not sure which factors to examine? Here are some of the top variables you should look at to ensure you are choosing the right network:

Breadth of Network

When considering a new network, it’s important to examine the footprint of the network. Can your employees continue to see their preferred local doctors and hospitals? Ask for a geoaccess report when considering a network. It can show you how many in-network doctors, hospitals and other health care facilities are near your employees’ homes based on their zip code. It’s also a good idea to ask for a disruption report, which can show you what percentage of your current claims/

your employees’ current doctors would be considered in-network. Depending on your company’s needs, you may need to inquire about wrap networks to ensure adequate coverage, or you may even want to explore the possibility of a narrower network solution.

Network Discounts

While discounts shouldn’t be the only driving factor in your decision, it’s still important to consider discounts to determine total cost of care. What kind of discounts does the network have with the doctors and hospitals your employees use? Typically, networks will share their average discounts based on the three-digit zip codes of your employees, but there are a variety of different discount reports. It’s important to note that not all networks calculate their discounts the same way. Be sure you have an understanding of how each network calculates its discounts so you can compare the networks accordingly.

Cost Containment Programs

Healthy employees spend less on health care, so it’s important that the network you choose offers a wide-range of programs to keep employees healthy and contain costs. Ask about programs to manage chronic conditions as well as intervention programs that can help employees lose weight or quit smoking. You should also ask if

there are any programs that can incentivize employees to be healthy, such as well-being assessments and discounts. Most importantly, find out if the cost containment programs offered can be customized to meet your employee population to increase effectiveness. It may also be important to find out if the network offers marketing and promotional materials you can use to promote programs without using your company resources.

Experience

When it comes to your health plan network, experience can make a big difference. Find out how much experience the network has with self-funded health plans and their process for implementing a new plan. It may help to ask for client referrals before making your final decision.

Fees

Be sure to have a complete understanding of all the fees associated with access to a specific network. Not all fees are fixed, some may be one-time implementation and or negotiation fees. You should request a full fee schedule from each network you are considering so you can compare.

HealthLink has a variety of tools and resources that can help you determine if our network is right for you. Contact your broker or TPA to learn more.