

Rochester Area Nonprofit Consortium
Health Coverage Alternative Options Overview
Working Draft Updated May 2, 2019

Introduction: *The Consortium is engaged in ongoing research and discussions to identify promising options for organizations of varying sizes and needs. This overview provides high-level descriptions of alternative health coverage options that nonprofits may choose to explore further. It should not replace expert advice as each option has many nuances. This document will continue to be updated as the Consortium learns more about this highly dynamic field.*

Model Type	Organizations Involved	Description/Considerations
Minnesota-based Health Plan Solutions (Traditional)	Health Plans, Brokers	<ul style="list-style-type: none"> ▪ Organizations either directly negotiate or work with a broker to negotiate coverage with a health plan. ▪ Range of options depending on market knowledge: Fully Insured (Small/Large Group), Level-funded (down to 25 employees), Partially Self-Funded (down to 25 employees) and Third Party Administrator plus outside Stop Loss. ▪ This can take many forms including HSA, HRA, high deductible, etc. and the coverage of Mayo/dependents varies by plan.
Association Health Plan	Minnesota Council of Nonprofits (MCN)	<p>For more information: http://www.minnesotanonprofits.org/about-mcn/association-health-plan</p> <ul style="list-style-type: none"> ▪ To meet increasing needs for affordable health insurance options for nonprofit organizations with two or more eligible employees across Minnesota, MCN is planning to launch an association health plan available to MCN member organizations. ▪ As of early 2019, the plan will be through Medica by January 1, 2020. ▪ Although rates are still being negotiated, MCN projects a modest cost savings to nonprofits with existing group plans. ▪ The option planned to be available for organizations in SE Minnesota is “Medica Complete Health” which does include coverage at Mayo Clinic Rochester and Mayo Clinic Health System.
Level-Funded Health Plan	Alliance for Strong Families and Communities	<p>For more information: https://alliance1.org/</p> <ul style="list-style-type: none"> ▪ In mid-2018, the Alliance for Strong Families and Communities launched a National Network Health Plan available to their members with two or more eligible employees nationally through a partner called C&A Benefits Group. ▪ This plan increases the risk pool and negotiating power in order to provide better, more stable benefits at a reduced cost to employers.

		<ul style="list-style-type: none"> ▪ The agreed upon plan is resulting in a 6-22% savings to enrolled organizations and currently covers 1100 member lives. ▪ However, at this time, unlike the Alliance's other back office shared service offerings, organizations must be an Alliance member to access the association health plan (membership rate based on % of revenue). ▪ The Alliance has indicated a willingness to negotiate this membership requirement if enough organizations in area are interested in their plan.
Employer Contribution	Gravie	<p>For more information: https://www.gravie.com/</p> <ul style="list-style-type: none"> ▪ Gravie is a health insurance marketplace headquartered in Minneapolis that serves all different types of employers and individuals. ▪ They individually tailor recommendations to individuals who are in the process of purchasing health insurance. ▪ They offer health plans both on federal and state health exchanges and off-exchange in the private, individual market. This is an alternative to group health coverage for businesses. ▪ Employers can determine the level of contribution they want to make toward their employees' health insurance and Gravie helps them select the coverage they want. ▪ Gravie claims an average of 20-40% savings over traditional group health insurance.
PEO/Outsourced HR Solution	Alliance/Insperity/TriNet/Others	<p>For more information: https://alliance1.org/; https://www.insperity.com/; https://www.trinet.com/</p> <ul style="list-style-type: none"> ▪ Many Professional Employer Organizations (PEOs) offer packages of services related to human resources and benefits. ▪ While some may be available a la carte, some require that they couple benefits with payroll/other HR functions. ▪ Alliance offers a package of HR solutions through the PEO TriNet that includes health insurance and other benefits on a per user per month basis plus premium costs. ▪ Alliance uses this plan for their own employees and agrees they have excellent rates and coverage.
Self-Insured with Pooled Stop Loss Insurance (Captive)	Pareto Captive	<p>For more information: https://www.paretocaptive.com/</p> <ul style="list-style-type: none"> ▪ Employee benefit group captives give midsize employers a way to gain control of the cost of employee benefits. Requires that employers qualify to be partially self-funded. ▪ When employee claims are extensive, your group captive absorbs the shock. When employee claims are modest, you essentially pocket a portion of profit that would normally have gone to an insurance carrier.

		<ul style="list-style-type: none"> ▪ In a nutshell, the basic concept of a group captive is as follows: <ul style="list-style-type: none"> <u>Employer</u> <ul style="list-style-type: none"> ○ Each employer is responsible for covering its smaller and more predictable claims. ○ Each employer has its own Third-Party Administrator to handle its own claims processing, ID cards, and preferred provider contracts. <u>Captive</u> <ul style="list-style-type: none"> ○ Each employer pays into the group captive "pool" to cover medium sized claims. ○ If the dollar amount of these "in-the-pool" claim payouts exceeds the amount that has been put into the pool, the group shares the loss (up to certain thresholds). ○ And vice-versa: if "in-the-pool" payouts are less than balance in pool, the group shares the profit. <u>Insurance Carrier</u> <ul style="list-style-type: none"> ○ Each employer pays an insurance company a premium to cover catastrophic claims ○ The insurance company provides protection in cases where an individual's claims exceeds an annual cap, or the sum total of all claims exceeds an annual cap
Cost Sharing Community	Sedera	<p>For more information: https://sedera.com/</p> <ul style="list-style-type: none"> ▪ Sedera is a Delaware corporation founded in response to the urgent need of people to find affordable ways to help with their healthcare costs. ▪ It is a (Christian) benevolence organization that provides the framework and administrative support for a medical cost sharing membership, as well as access to numerous ancillary health services. ▪ Access to federally required products, such as Minimum Essential Coverage (MEC), must be provided through a sponsoring entity that you have direct affiliation with. ▪ Vision is to make high-quality, human, transparent solutions the new normal in healthcare. They promote individual ownership and direct access to care through a sharing community. ▪ Available to individuals, families, and small employers. ▪ Sedera promotes an average of 30-50% savings for small employers. ▪ Rochester Clinic has signed on to this option.
Direct to Provider Contracts	Olmsted Medical Center (OMC)	<p>For more information, contact Brooke Carlson (brooke@northskyhealth.com).</p> <ul style="list-style-type: none"> ▪ OMC is currently developing an option for employers to contract with them through a Third-Party Administrator such as Meritain. ▪ Requires employers to have at least 50 eligible employees (with the possibility of fewer in the future) to be approved to become partially self-funded with stop loss insurance.

		<ul style="list-style-type: none"> ▪ While details will be further defined by January 2020, OMC is ready for discussions if organizations are interested in beginning negotiations this summer and fall. ▪ Exploring a tiered benefit design with Tier 1 including OMC and Tier 2 including all other providers including Mayo, Gunderson, etc. ▪ Benefits will include preferred pricing and care coordination bundles.
Virtual Broker for Small Businesses	eHealthInsurance	<p>https://www.ehealthinsurance.com/small-business-health-insurance</p> <ul style="list-style-type: none"> ▪ This site offers information about and quotes for a wide variety of health insurance options for small business coverage. ▪ Organizations need at least one employee to qualify. ▪ Organizations must contribute toward employee premiums. ▪ It is possible to shop for coverage at any time of the year.
Other: Pooled Self Insurance		Note: We are just beginning to explore the possibilities and limitations (of which there are many) for this option. More information will be available soon.
Other: Create new pool such as through Federated Insurance		Note: We will look into this as a longer-term option.
Other: AHPs or plans available through national associations		Note: This option is likely only available to organizations that are a branch/affiliate/chapter of a national organization.