



# Health plans designed to give you more

Discover savings, freedom  
and stability with  
Oxford Level Funded



# Health plans tailored to your business

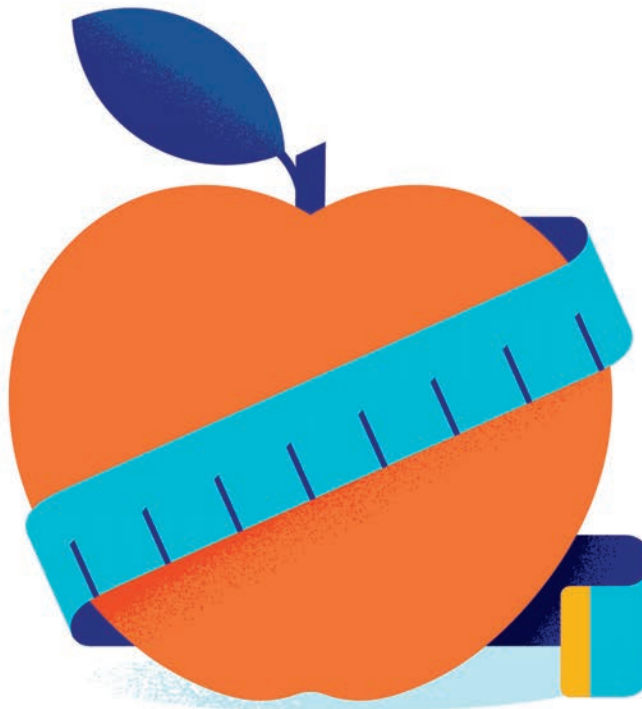
A big concern for business owners is the cost of health care. So, Level Funded health plans are built with cost controls for your business in mind. Level Funded is intended to help you save money—and help your plan participants get more out of their plans, too.

## A different kind of plan

Level Funded is a self-funded health plan that includes 3 parts:

- 1 Your **self-funded medical plan**, which pays covered medical expenses of your covered plan participants and their dependents.
- 2 A **third-party administration agreement** for claims processing, billing, customer service and other administrative services.
- 3 A **stop loss insurance policy** helps protect the plan from large catastrophic medical claims by a covered individual, and provides protection in the event that all claim payments made under the medical plan exceed a certain dollar limit.

With a self-funded health plan, you'll have exemption from most Affordable Care Act regulations and state insurance mandates and a potential year-end surplus refund\* if plan participant medical claims are lower than expected.



\*Please consult a tax and/or legal advisor to determine if, by receiving this surplus refund, there are any restrictions or obligations, or whether the surplus refund is taxable.

# How does level funding work?

## Traditional insurance is a fixed cost

With traditional plans, the business pays a fixed premium to the insurance company, and then the insurance company pays the health care claims as well as the administrative costs, sales commissions and taxes.

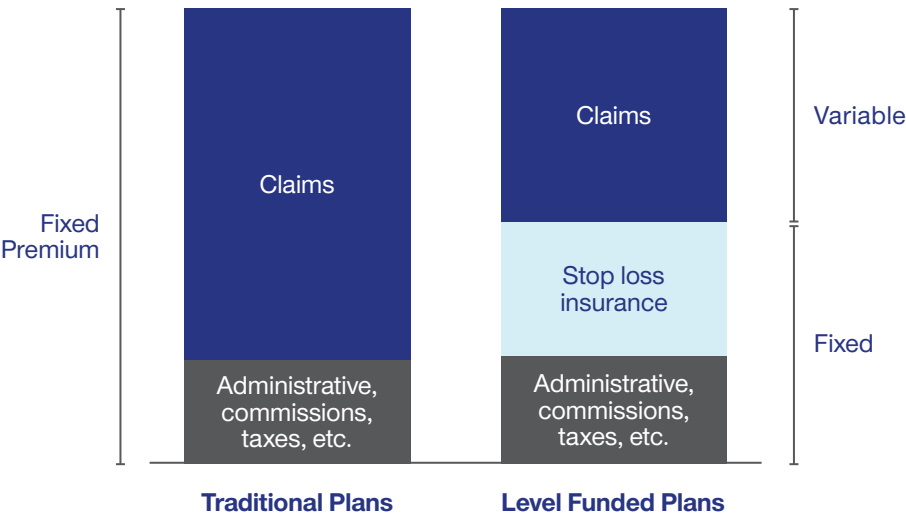
If the actual health care claims are higher than expected, the insurance company covers them. But if the claims are lower than expected, the insurance company keeps the difference. This means your business doesn't get anything back if your plan participants have lower-than-expected medical claims.

## Level Funded plans are different

With Level Funded, if the covered health care claims are lower than expected, your plan may get money back at the end of the year (where allowed by state law). And if the covered medical claims are higher than expected, your stop loss insurance policy covers them.

### Here are a few additional benefits of a Level Funded plan:

- Because the plan is level funded, your business will make the same monthly claims funding payment throughout the plan year. You won't have to pay any more for medical claims at the end of the plan year, even if you have high medical claims costs.
- Self-funded medical plans are not subject to most state insurance mandates or state insurance-premium taxes, which may mean lower costs throughout the year. (However, stop loss coverage is still subject to premium tax.)



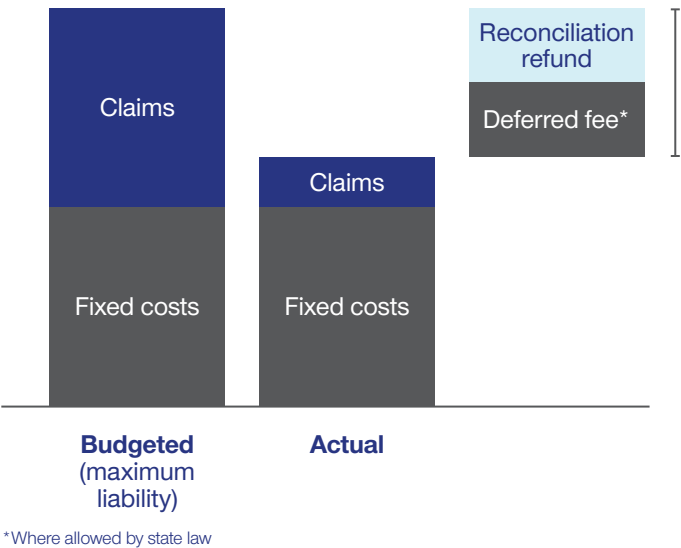
Best case:

Low medical claims

Your company’s monthly payments include the estimated health care claims plus fixed-cost items (administrative fees and stop loss insurance premium). This is called your plan’s “maximum liability,” which means you won’t get stuck at the end of the year with unexpected costs.

Part of your monthly payments will go into an account that pays for your covered plan participants’ eligible claims. At the end of the year, the monthly claims funding payments will be compared with the actual claims costs. In the best-case scenario, if actual claims costs for the year are less than what was estimated, your plan has a surplus.

After plan reconciliation, one-half of any surplus is sent back to your plan to use for the following year, and one-half is kept as a deferred service fee (where allowed by state law).



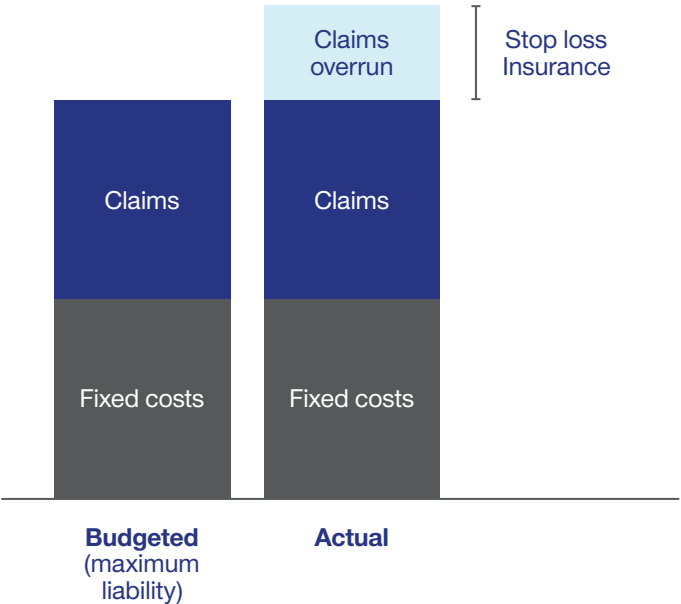
Worst case:

High medical claims

In the worst-case scenario, the actual claims would be higher than expected. But because your plan would have already paid the maximum liability, you won’t pay more for covered claims at the end of the plan year.

Your plan is protected by the stop loss insurance that is already built into your monthly payments.

Of course, each year could be somewhere in between. But in any case, many businesses may save with a Level Funded plan.



Learn more

Contact your Oxford representative for more information

