



LEVEL FUNDING

Know What You Owe

Level Funding from Alliant is an excellent, local self-funding service. This plan incorporates predictable costs, plan flexibility, and an opportunity to improve health while saving money.

What is a Level-Funded Plan?

A level-funded health plan arrangement is where an employer provides their employees health benefits by using the company's funds. Level-funding has fixed rates that are billed monthly, which is similar to an insurance premium. Costs that influence this rate can include components such as administrative fees and stop loss insurance.

Level-funding means that the employer pays claim costs accumulated by those who are enrolled in the health plan. Depending on the use of health care, this cost could fluctuate each month. If claim costs surpass the catastrophic claim levels, stop loss reimbursements are made.

A Great Choice for Small Companies

Over the past few decades, large companies were frequently seen using level-funded health plans for their employees. However, in recent years, it has become very popular in smaller companies. Most of these small companies do not have more than 30 employees. Let us help you determine if a level-funded plan is right for your organization by reviewing the current employee census, premium rate history, and actual claims experience.



Why Have Level-Funded Plans Been So Successful?

- **Detailed Reporting**
 - Clients are able to track how their claim dollars are being spent through online reporting.
 - Use these reports to determine if changes need to be made to your plan design.
- **Payments Are Predictable**
 - The total monthly costs cover the claims, premiums, and fees
- **Stop Loss Insurance**
 - When the employer buys Stop Loss Insurance, reimbursements are made for claims that exceed your expected level. This provides protection from a catastrophic claims situation.
- **Opportunity for Savings**
 - Your company will receive money back if the claims are less than projected.

Fully Insured vs Level-Funded Savings

- **Fully Insured** = Nonrefundable Premium
- **Level-Funded** = Opportunity for savings if claims are below the projected level

Total Costs:

- **Level-Funded Plan** = Fixed costs + Claims amount less than stop less reimbursements

What Influences the Maximum Cost of a Level-Funded Plan?

- Actual Claims Payments
- Stop Loss Premiums
- Service and Administrative Fees

Example of Savings Opportunity:

Annual Claims Funding:

\$150,000

Paid Claims:

\$130,000

Money Back to Company:

\$20,000

Advantages of Choosing Alliant

- Alliant will handle all administrative matters associated with a self-funded health plan. This includes employee enrollment, claims management, and reporting.
- We provide materials to introduce this plan to your employees.
- Our Account Executives and Customer Service team are dedicated to providing you with the attention you need to manage your plan.

For more information about a Level-Funded plan that is right your company, contact Alliant Health Plans at (866) 403-2785.