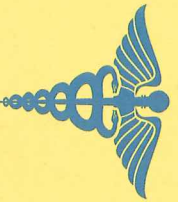


Understanding Self-Insured Group Health Plans

*Solutions For Containing Cost
While Providing Quality Benefits*



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Self-Insured Health Success Stories

Ambulance Service Uses Self-Insured Health Plan as Recruiting Advantage

Not many years ago American Ambulance Service of Norwich, Connecticut, felt like a “farm team” for area hospitals who attempted to recruit their employees partially on the promise of generous health plans.

No more. American Ambulance turned to self-insurance to create an employee health plan that can withstand just about any competitive encroachment. “That has subsided now,” says Janet Welch, human resources director. “Becoming self-insured about ten years ago provided a wonderful opportunity to recruit and retain the best employees.”

“American Ambulance learned that even a moderate-sized organization could design a self-insured plan to compete with larger employers at a good value compared to traditional fully-insured plans,” says Gary D’Orsi, director of sales and marketing of Pequot Health Care of Mashantucket CT, which provides TPA services to American Ambulance.

American Ambulance covers the Eastern Connecticut market from its headquarters in Norwich and onsite emergency crews at the Foxwoods and MGM Grand casinos. “I tell people that self-insurance may not work for every organization but it definitely works for us,” Ms. Welch says. “The key is having strong trusting relationships with our partners including our broker and TPA to know they will be working in our best interests.”

The American Ambulance plan has generally low deductibles or provides full coverage for in-network medical services including prescription drugs, vision care and a dental plan.

Preventive care is emphasized through a schedule of physicals and cancer screenings.

American Ambulance employees may select the health savings account (HSA) option that is presented along with the fee-for-service plan during each annual open enrollment period. “We invite our employees to come to open enrollment meetings and again sign up for the following year,” Ms. Welch says. “We want them to understand their benefits along with any changes that may occur.”

“The HSA is becoming an increasingly popular option depending on employees’ lifestyles and health issues. It has to be a good fit for them,” Ms. Welch says. “At our presentations we include people from the bank and our broker to tell them how it works. Educating the employees is the best tool for helping the plans run smoothly.”

Ms. Welch says that the HSA has become progressively more accepted and now is the choice of about 15 percent of American Ambulance employees. “Employees discussing it among themselves is the HSA’s best advertising,” she says.

Like self-insurers everywhere, American Ambulance is looking at possible implications of national health reform as it phases in. “We have to look at everything,” Ms. Welch says, “and we believe we will be a grandfathered plan. Through all the seminars we have attended and discussions with our TPA and broker we feel we’re ahead of the game at least for the coming year.”