Self-Funding Health Benefit Plans

John C. Garner
Self-Funding Health Benefit Plans
# Table of Contents

Dedication ........................................................................................................... v  
Acknowledgments ................................................................................................ vii  
About the Editor .................................................................................................... xiii  
About the Contributors ........................................................................................... xv  

## Section I  Introduction and Overview

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Health Benefit Self-Funding</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>John C. Garner</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Self-Funding Costs and Options</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>John C. Garner</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Multiple Employer Welfare Arrangements (MEWAs)</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Jon Alexander</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>VEBAs a.k.a. 501(c)(9) Trusts</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>George McGregor</td>
<td></td>
</tr>
</tbody>
</table>

## Section II  Risk Management and Calculating Liability

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Risk Management Strategies and the Role of Insurance</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>Sarah Warhaftig</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Stop-Loss Insurance</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>James E. Schreiber and Michael P. Ewing</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Using Data to Improve Health Plan Performance and Participant Health</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Eileen M. Flick and David Searles</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>The Role of the Actuary and Actuarial Considerations</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Stephanie Patrick</td>
<td></td>
</tr>
</tbody>
</table>
Section III  Employee Health Plans Under ERISA

Chapter 9  An Overview of ERISA Welfare Plans and Compliance ................................. 77
           Bennett E. Choice

Chapter 10  Fiduciary Responsibility Under ERISA ....................................................... 83
             Jeffrey R. Fuller

Chapter 11  Utilizing Professional Advisors in Fulfilling Fiduciary Responsibilities .......... 95
             Paul J. Ondrasik Jr. and Edward R. Mackiewicz

Chapter 12  Allocation and Delegation of Fiduciary Responsibility .............................. 105
             William H. Tobin

Chapter 13  Reporting and Disclosure Under ERISA for Self-Funded Health and Welfare Plans
             Lonie Hassel

Chapter 14  Fiduciary Liability Insurance: An ERISA Attorney Perspective .................... 119
             Jeffrey D. Mamorsky

Chapter 15  Fiduciary Liability Insurance: An Insurance Company Perspective ............... 131
             Daniel Aronowitz

Section IV  Other Federal and State Regulations

Chapter 16  The Patient Protection and Affordable Care Act ........................................ 139
             Gregory A. Storm

Chapter 17  Compliance With Federal Health Regulations ............................................ 145
             Kathryn Bakich

Section V  Plan Design and Management

Chapter 18  Health Care Benefits and Service Providers: An Introduction .................... 155
             Larry McNutt

Chapter 19  Retiree Health (Postretirement) Benefits .................................................... 169
             Michael I. Helmer

Chapter 20  Workers’ Compensation ................................................................. 177
             Steve Kokulak

Chapter 21  Health Care Cost Management ............................................................... 185
             John C. Garner
### Section VI  Plan Administration

**Chapter 22**  Plan Administration Functions and Options  ................................................. 193  
John C. Garner

**Chapter 23**  Claims Processing and Control  ................................................................. 203  
Gerti Reagan Garner

**Chapter 24**  Preservation of ERISA Plan Assets Through Subrogation and Reimbursement Rights  
Philip R. O’Brien

**Chapter 25**  Accounting and Auditing  ................................................................. 219  
Lawrence R. Beebe

### Section VII  Investment Management

**Chapter 26**  The Basics of Health Care Plan Investing  ................................................. 229  
Michael D. Joyce, John P. Hume and Julian M. Regan

**Chapter 27**  Selecting an Investment Manager  ......................................................... 243  
Julian M. Regan

**Chapter 28**  The Role of the Investment Consultant  .................................................. 247  
Julian M. Regan

Index  ............................................................................................................................... 257