

Tips for Getting More Value from Your Medical Stop-Loss Policy



Segal works with hundreds of group medical plans to help them get the stop-loss coverage that best meets their needs. We compiled this stop-loss insurance checklist you can use to make sure you're getting the right coverage for your plan:

Determine the adequacy of your current stop-loss coverage by reviewing your actual claims data.

Assess the competitiveness of your stop-loss coverage by comparing it to coverage purchased by similar plans.

Avoid coverage denial by reviewing your plan document language to make sure it's up to date on covering new treatments and procedures.

Set up monthly high-cost claim reporting.

Add centers of excellence for high-cost procedures.

Implement third-party audit protocols for any known inpatient hospital or drug claim with \$100,000 or more in submitted claims pending.

Consider renegotiating your stop-loss coverage to take advantage of these savings options:

- Lower your premium cost by raising your specific stop-loss deductible if it's relatively low for your group size and your plan has healthy reserves.
- Lower your premium cost by assuming additional risk with an aggregating specific deductible, an additional stop-loss deductible that applies in aggregate to claimants who exceed the specific stop-loss deductible.
- Negotiate a no-laser provision combined with rate caps.
- Seek out shared-savings policies that pay experience-rated dividends if premiums exceed claim reimbursements by a pre-defined ratio.

Obtain current plan coverage documents and amendments annually.

Review stop-loss terms as early as possible before the effective date.

Request bids every two to three years to make sure you're getting the best possible deal on your stop-loss coverage.



To discuss the adequacy and competitiveness of your plan's stop-loss coverage, contact your Segal consultant or Michael S. Tesoriero at 212.251.5280 or mtesoriero@segalco.com.

This piece is for informational purposes only and does not constitute legal or tax advice or provide a binding interpretation of coverage. Plan sponsors are encouraged to discuss the issues raised here with their legal, tax and other advisors before determining how they apply to their specific situation.