

Work-Product Described

From the beginning, self-funded health plan sponsors and vendors recognized and practiced Experience Monitoring – but not vigorously.

Numerous self-funded health plan practices, in recent years, have inspired a new look at the practice of Experience Monitoring: (a) Sarbanes-Oxley, which spawned ERM, and which upgrades such practice from optional to obligatory, (b) new stop-loss practices, which place the self-funder at increased risk: (i) higher specifics, (ii) lasering, (iii) aggregating specifics and (iv) specific-only, (c) computer-produced claim reserves, which must be included because of their importance in the monitoring process, (d) ever-increasing mandates, which serve to expand the definition of a covered persons and benefits and (e) constant pressure by providers, vendors, et al. to demand more give less.

The new Experience Monitoring work-product is an e-mail computer-produced by mathematical modeling; such enhances both the ease and effectiveness of the process:

One. The monitoring scope is broadened in these ways: (a) plan risks include both claims and fixed costs, (b) stop-loss risks include both specific and aggregate, (c) added risks from lasering and aggregating specifics are included.

Two. Paid claims and fixed costs may be projected by two quite different methodologies where both are acceptable to the *model-builder*; projecting results of both methods are shown.

Three. As with all www.awpse.com work-products, three features are offered: (a) the Work-product is delivered as an e-mail to the Eligible User, (b) the computation is done by a computer at www.awpse.com (or in the *cloud*) and (c) the data-handling may be with the TPA, Plan Sponsor, Broker/Consultant or Actuary. Also, new millennial practices with IT, cybernetics, statistics, etc. are used. Do-it-yourself Experience Monitoring work-products are available at very low fees (minimum is \$100 per work-product if un-inked and \$300 if inked).

Four. Several new millennial practices should be recognized and factored into both the monitoring and managing side of the equation. Examples include: (a) growing acceptance of wellness and behavioral programs, (b) expanding popularity of contingent employees (PEOs, e.g.), (c) cost-savings from the practice of common services (using an Employer Self-Funded Health Care Trust, e.g.), (d) efficiencies provided by (i) IT and (ii) new risk/actuarial/cybernetic techniques and (e) new underwriting/screening tools.