

Gain Access to Untapped Revenue in the Small Group Market

Tap into the elusive small group benefits marketplace with CieloStar’s level-funded, self-insured health plans. Powered by Verity HealthNet.

The small and ultra-small group market has often been a challenging one for brokers to effectively target and add value. With the recent popularity in level-funded plans, that has started to change. Level-funded products are a form of self-insured health plans, but with the added mitigation of claims risk through stop-loss coverage covering excessive claims, so employers don’t have to.

Long have small and ultra-small groups been forced to pay for expensive fully- or self-insured plans that cost their businesses financially – or opt to not offer coverage altogether, having a negative impact on employee retention and the health of their communities. Now, brokers have a great opportunity to better serve these organizations and ultimately gain access to untapped revenue in a downstream, traditionally underserved market.

The keys to an effective level-funded offering? The right product, through the right distribution, administered by the right technology. All with a focus on driving business for you.

Key Features	Benefits for Brokers
Proprietary technology	Integrated and easy-to-use marketing, quoting and underwriting platform.
Financial strength	15-20% savings in first year compared to fully-insured plans. Unused funds returned to client at end of year.
Powerful industry relationships allow for unique plan design.	ERISA plans created specifically for small employers, no participation requirements down to five enrollees.
Experienced leadership team	Decades of experience solving unique benefits and administration challenges of small businesses future-proofs your entrance into this market.

Contact us to learn more about these plans.
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How it Works

Plan Attribute	How it Works
Underwriting using personal health questionnaires (PHQs)	<ul style="list-style-type: none">• All enrollees must complete PHQs. Only those underwritten may be on plan at inception.• Underwriter reviews PHQs and provides rates based on health of population.• <i>Unlike larger organizations, there is no negotiation – healthy populations are the best candidates for plans.</i>
Recurring underwriting throughout year	<ul style="list-style-type: none">• New hires can join the plan throughout the year, as long as they complete the PHQ.• If participation increases or decreases by more than 10%, or group falls below 5 lives, re-underwriting will occur.• Renewals are processed 60 days prior to renewal date and are based on claims history and new hire PHQs.
Value of Verity HealthNet narrow network	<ul style="list-style-type: none">• A narrow network through Verity HealthNet allows employers to provide lower premiums and cut costs while maintaining benefit levels.• Your customers will receive coordinated care across the network of hospitals, with no referral needed when care provided by the network.

CieloStar has a long history of partnering with brokers and other industry leaders to bring benefits solutions to small employers. When it comes to level-funded, self-insured plans CieloStar is able to offer rates you will have a hard time finding elsewhere as a result of our partnership with Lloyd's of London. We also support these plans with proprietary technology that ultimately adds control, flexibility and visibility for your small group customers.

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For Brokers: 5 Steps to a Level-Funded Sale

- 1 Prospect education**
 - What is a level-funded plan?
 - Value of Verity HealthNet narrow network: lower premiums, same care.
 - Underwriting via personal health questionnaires

- 2 Request prospect data**
 - First-time users register via self-service broker dashboard
 - Employer information (address, SIC code)
 - Census template (downloaded from broker dashboard)
CieloStar or GA provides assistance as needed.

- 3 Present illustrative quote**
 - Using broker dashboard, share rate illustration with prospect.
[Here's a quick demo of the broker dashboard.](#)

- 4 Begin PHQ process**
 - Employer receives email with instruction template and code for employees to create secure log in, complete PHQ on themselves and any family members to be covered.
 - Education and reminder to employees that full disclosure of all detail is critical for accurate underwriting. Dashboard allows for monitoring the status of PHQ completion.
 - When all interested employees have completed PHQs, broker alerts CieloStar or GA to send case to underwriting.

- 5 Final rates issued by underwriter**
 - Once case is sold, census of underwritten enrollees provided so the employer can designate which of the two plans an enrollee chose.
 - Upon receipt of the final census and other set up paperwork including ACH authorization for monthly premium, the eligibility will be loaded into CieloStar's BenefitReady benefits enrollment system and transmitted to the claims TPA for ID cards to be issued.
 - Training on BenefitReady for maintaining eligibility will be provided.

CieloStar's Level-Funded Plans

How They Work



Underwriting using Personal Health Questionnaires (PHQs)

This step is critical for maintaining the competitive rates for plans this small. An important part of the process is for employees to understand the importance of this disclosure step, as undisclosed conditions and medications may not be covered. In addition, only those employees who have been underwritten can be on the plan at inception. The underwriter and nurse staff review the PHQ data and provide final rates or, depending upon the disclosed conditions, decline to quote. Unlike some large group products, there is no negotiation on the underwritten rates or declination. Employers with healthy employees are the best prospect for these plans—to keep the rates low, less healthy groups are declined rather than rated up.



Underwriting throughout the year

Throughout the year new hires can join the plan, provided they complete a PHQ to be kept on file. If the group has a change of plus or minus 10% in participation at any time throughout the plan year, or drops below the five enrolled minimum, they may be subject to re-underwriting, to ensure that the funds collected cover the claims and stop loss premiums. Renewals are processed 60 days prior to renewal date and are based on claims history and new hire PHQs. Groups that fall below the five life minimum will be non-renewed, and groups with poor claims experience can be rerated or non-renewed.

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