

Level Funded Plan

Frequently Asked Questions

What is the Level Funded Plan?

The Level Funded Plan (LFP) is an alternative to traditional health care options such as fully funded insurance plans and self-funding. It offers the benefits of traditional self funding with the added benefit of stable monthly costs. LFP is open only to CBM members.

How does it work?

Groups fund claims, administration and stop-loss at a set per-member amount each month based on enrollment, giving them more financial stability. Payments don't fluctuate monthly based on claims activity.

The administrator uses the money as needed to pay claims. At the end of the year, if the claims the carrier pays are less than the funds paid by the employer, the group will receive a check for the overage. When claims exceed flat monthly payments, surplus from prior months and/or stop-loss protection covers the short-fall.

Are medical questionnaires required?

If claims experience is not available, groups must submit medical questionnaires from all eligible employees to be reviewed by underwriting. The questionnaires cover family members as well. Final rating and acceptance is subject to the outcome of this review. The initial proposal is not a guarantee of coverage.

Why are these plans becoming popular?

Affordable Care Act (ACA) constraints, fees and taxes have made employee health plan cost increases unsustainable. Health plan options are limited and not accommodating.

LFP is becoming more popular because it is an alternative to traditional health care plans that lowers your costs by eliminating carrier profit and ACA challenges. In addition to the potential savings, LFP is not subject to many ACA taxes and fees. There are a variety plan designs to choose from. You can also choose the provider network that works for your employees.

**Begin your long term benefit
strategy by contacting us today.**

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