

# Frequently Asked Questions



Here are answers to some of the most frequently asked questions regarding our self-funded plan designs and stop-loss insurance provided by Trustmark Life Insurance Company. More information is available at [TrustmarkSB.com](https://TrustmarkSB.com).

Small Business Benefits



## Claims

**Q: Which claims accumulate toward the annual specific deductible and aggregate attachment point?**

A: All covered claims that are the employer's responsibility under the terms of the self-funded benefit plan accumulate toward the annual specific deductible, if applicable, and aggregate attachment point. All covered claims above the annual specific deductible are paid by stop-loss insurance and do not accumulate toward the aggregate attachment point. Covered claims in excess of the aggregate attachment point are paid by the stop-loss insurance as long as the stop-loss insurance policy is not terminated off-anniversary.

**Q: If covered claims are less than what was funded by the employer, what happens to the remaining surplus of unused claim dollars?**

A: The employer may receive a refund or administrative fee credit, depending on the surplus option chosen. Please see the *Surplus Options brochure* (B680-T500-107-br) for more information on various surplus options.

**Q: What type of claim reporting is available for employers?**

A: We will provide employers with online access to a Monthly Aggregate Claim Liability Summary report, as well as healthcare utilization reports at multiple intervals throughout the year, providing greater transparency of how their healthcare dollars are being used.

## Runout

**Q: What is the runout period for administration?**

A: Employers who select the 1/2 Administrative Fee Credit Surplus; 2/3 Administrative Fee Credit Surplus; 2/3 Administrative Fee Credit, 2/3 Cash Surplus; or Cash Surplus option have a runout period of 15 months. The employer will receive any surplus money remaining in the claim pre-fund account as an administrative fee credit or cash (less the terminal liability reserve), depending on the surplus option selected.

Employers who select the Traditional Cash Surplus option can generally choose a runout period of nine or 12 months. Trustmark Preventive Plus<sup>SM</sup> plan designs offer only a 9-month runout period. Any money remaining in the employer's claim pre-fund account at the end of the runout period will be refunded to the employer.

**Q: What happens to claims that are received by Star Marketing and Administration, Inc. after the runout period has ended?**

A: The Administrative Services Agreement states that claim administration services conclude at the end of the runout period, which will vary by the surplus option chosen. Any claims incurred during the plan year and not received or processed by Star Marketing and Administration, Inc. by the end of the runout period are not administered by Star Marketing and Administration, Inc. If the employer is still an active group with Star Marketing and Administration, Inc., a letter will be sent to the employer asking if they would like to fund the claim. The employer has 15 days from the date of the letter to fund the claim. We will then adjudicate the claim. If the employer does not submit funds, the claim is closed out and returned to the healthcare provider.

**Q: How long does Star Marketing and Administration, Inc. have to go back and adjust claims after the runout period has ended?**

A: The Administrative Services Agreement states that claim administration services conclude at the end of the runout period. Once the runout period has ended, we will only adjust claims if there has been an error in claim administration, subject to our receipt of adequate funding.

**Q: If the group terminates at the end of the plan year, what is the fee charged to pay the runout claims?**

A: There is no separate administrative charge to pay runout claims. Runout administration is included as part of the administrative fee.

**Q: If Star Marketing and Administration, Inc. needs to process a claim after the end of the runout period that was previously denied in error, how is it handled with the employer?**

A: We will contact the employer and request the necessary funds to pay the claim if the employer received a claim pre-fund account refund and the runout period has ended. The claim is considered either a specific or aggregate stop-loss insurance claim if the employer did not receive a claim pre-fund account refund.

## Termination

**Q: If a group terminates off-anniversary, what happens to the stop-loss coverage?**

A: Aggregate stop-loss insurance is provided on a 12-month contract period basis and the monthly bill is paid in 12 monthly payments over the course of the contract year. If the stop-loss insurance contract terminates before the end of the contract period, there is no aggregate stop-loss insurance available for the months the contract was in force. As a result, the employer is responsible for reimbursing Trustmark Life Insurance Company and/or Star Marketing and Administration, Inc. for any advances, including all aggregate advances. The employer is also responsible for paying all covered claims, below the specific deductible, if applicable, that were incurred and not paid while the plan was in force. Additionally, if the 1/2 Administrative Fee Credit Surplus, the 2/3 Administrative Fee Credit Surplus or the 2/3 Administrative Fee Credit, 2/3 Cash Surplus option was selected, the employer forfeits the surplus. Specific stop-loss coverage, if applicable, remains in effect for the contract period prior to termination.

**Q: What is the process of recouping an aggregate advance should the group terminate their stop-loss insurance off-anniversary?**

A: A letter is sent to the group requesting the aggregate advance amount be paid back within 10 days of receiving the letter. If payment is not received within a month, it is sent to collections for recovery. An "aggregate advance" is when Trustmark advances funds to the employer to fund claims that are in excess of the accumulated monthly aggregate attachment point.

## Administrative Fee

**Q: How is the administrative fee credit applied to the monthly administrative fee?**

A: The administrative fee credit is applied to the administrative fee on the billing statement distributed one month after surplus determination, which occurs in the 16th month after the effective date of the agreement. For example, if the surplus determination takes place in April, the billing sent out in May for the June payment will have the administrative fee credit applied. The credit will be applied each month up to the monthly administrative fee for the remainder of the plan year until the administrative fee credit is exhausted. If an administrative fee credit remains at the end of the plan year, it may be refunded to the employer depending on the surplus option chosen.

**Q: Is the administrative fee the same for every group?**

A: No, the administrative fee is based on group size, the negotiated broker compensation and other plan design selections.

## Miscellaneous

**Q: Will self-funded plan designs include deductible credit to new groups who enroll in a plan design?**

A: Yes, a member who is continuously covered under a prior individual or group health plan with a calendar-year deductible will be credited for any portion of the deductible satisfied under the prior plan during the same calendar year. Deductible credit will not be given if moving to or from a health plan with a plan-year deductible. Credit is not provided for out-of-pocket amounts (other than amounts applied to the deductible), prescription drug card deductibles or for employees added to a self-funded plan after the group's initial effective date.

**Q: Is the claim pre-fund account a trust account for the employer where they earn interest tax-free?**

A: The claim pre-fund account is a Star Marketing and Administration, Inc. owned non-interest bearing checking account. The employer's monthly pre-fund claim payments are deposited into this account. Such payments are used on a weekly basis to pay claims incurred up to the group's maximum annual aggregate attachment point. The bank account is FDIC insured.

**Q: What are the tax savings with a self-funded plan?**

A: Self-funded plans are not subject to state health insurance premium taxes on claim-fund dollars and administration expenses, providing direct savings. In addition, certain requirements or fees resulting from the Affordable Care Act do not apply to self-funded plans.

**Q: If the employer depends largely on government contracts, what would happen if a government contract is not renewed during the contract year?**

A: If being awarded government contracts is critical to the funding of the plan, then a self-funded plan with stop-loss insurance may not be the best option, as it must be funded for the entire 12-month plan year. Terminating stop-loss insurance coverage prior to the end of the year exposes the employer to aggregate claim liability that may be unaffordable.

**Q: Will Express Connect® enrollment be available?**

A: Express Connect paperless employee enrollment is available with Healthy Choices, *HealthyEdge* and Healthy Incentives plan designs, and may vary by state.

**Q: How do the self-funded plan designs work with an Employer-Sponsored HRA?**

A: The HRA works with self-funded plan designs in the same way it works with a traditional fully insured plan. The HRA plan design is a mechanism that allows the employer to pay a portion of the member's out-of-pocket expenses within the benefit plan, such as deductible and/or coinsurance expenses. Our self-funded health plan designs with stop-loss insurance from Trustmark Life Insurance Company allow the employer a compliant, alternative way to fund the employer-sponsored health plan. The HRA plan design is not available with Preventive Plus plan designs.

**Q: Is the practice of lasering available with the stop-loss insurance?**

A: Trustmark Life Insurance Company will not laser individuals from stop-loss insurance coverage. Lasering is the practice of removing an individual from being eligible for stop-loss coverage, or assigning that individual a higher specific stop-loss deductible.

**Q: Are prescription drugs covered in the self-funded plan design? If so, who is the Pharmacy Benefits Manager?**

A: Our self-funded plan designs offer an outpatient prescription drug benefit or discount, depending on the plan design selected. Our pharmacy benefit manager is CVS caremark®.

**Q: What cost-savings features are available with our self-funded plan designs?**

A: The Healthcare Bluebook™ quality and cost transparency tool is designed to help members save on healthcare spending. It is available to members with a Healthy Choices, *HealthyEdge* or Healthy Incentives plan design.

Teladoc™ Health telemedicine services give members 24/7 access to U.S. board-certified doctors via phone or video consults for nonemergency medical conditions.

The Included Health second opinion service provides a medical second opinion from expert physicians at no additional cost. This service is available to members with a Healthy Choices, *HealthyEdge* or Healthy Incentives plan design.

Plus, members can log in at [TrustmarkSB.com/login](https://TrustmarkSB.com/login) to access Ways to Save for cost-savings resources to help educate and empower them as healthcare consumers.

**Q: What wellness programs are available with our self-funded health plan designs?**

A: The maternity wellness program is available to members with a Healthy Choices, *HealthyEdge* or Healthy Incentives plan design. The optional CareChampion 24/7® advocacy service and the optional Lifestyle Management health improvement program are available with only Healthy Choices, *HealthyEdge* and Healthy Incentives plan designs. For more information, refer to the *Healthy Foundations® Overview* [T500-81-er].

**Q: Can ancillary plans be paired with a self-funded plan design?**

A: Yes; however, availability may vary by state and plan design.

**Q: Is broker compensation adjustable and what are the broker compensation amounts?**

A: To view broker compensation schedules, log in to our website and click Compensation for more information. Or, see the current *Broker Compensation Guide* [B680-S669-294-br].

## Key Terms

**Runout Period:** The period of time immediately following the end of the plan year during which we will continue to process eligible claims incurred during the contract period, subject to the terms of the Administrative Services Agreement.

**Surplus Determination Period:** The point in time after the end of the plan year when terminal liability reserve and aggregate claim liability surplus is calculated. Surplus is determined in the 16th month after the effective date of the agreement.

**Annual Aggregate Attachment Point:** This represents the overall claim liability limit for the employer during the contract period. All covered claims in excess of this amount are payable by the Aggregate Stop-Loss Insurance, under the terms of the stop-loss insurance policy.

**Aggregate Stop-Loss Insurance:** This protects the employer from unusually high overall claims. If total covered claims for all covered persons in the group are more than the overall claim liability limit of the employer during the contract period, Trustmark reimburses the employer under the terms of the stop-loss insurance policy.

**Specific Deductible:** Specific stop-loss protects the employer if the covered person's covered claims exceed a specified amount, or specific deductible. The Specific Stop-Loss Insurance pays covered claims exceeding this amount for the remainder of the contract year.

**Specific Stop-Loss Insurance:** This protects the employer from unusually high claims from a covered person. If covered claims for a particular covered person are more than the specific deductible during the contract year, the stop-loss insurance coverage reimburses the employer, under the terms of the stop-loss insurance policy.

**Terminal Liability Reserve:** We calculate a terminal liability reserve for a self-funded health plan to pay covered claims during the runout period.

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Trustmark Small Business Benefits®

Plan design availability and/or coverage may vary by state. Self-funded plans are administered by Star Marketing and Administration, Inc., and stop-loss insurance coverage is provided by Trustmark Life Insurance Company.

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