TACTICAL REINSURANCE

Opportunity Profiling Tips

Control Objective

This is a self-audit checklist for Producers to help determine if a submitted group is worth our mutual investment of time. If we receive complete submissions with good data and few conflicts of interest, this will increase our combined closing ratio, and Tactical's ability to be competitive with shorter turnaround times.

Control Activities

Understand the Conflicts of Interest

a. **Brokerage:** Large Chain? Or an Independent? How do they "really" make their revenues? What % of their business is self-funded? Of that amount, how much is ASO vs TPA business (push for # of groups as well)? Do they have preferred Carrier relationships? What makes them preferred?

b. **Producer:** Same question on the % of business with each, and # of groups? What do they like about each market segment (ASO vs TPA)? Dislike? Avg size of groups? What TPAs have they worked with? PBMs? Alternate Funding Vendors? What Carriers/products do they like/dislike?

You can't ignore these potential conflicts of interest during "crunch season"! If a producer/brokerage has no TPA business currently, or they really don't understand self-funding (or is incentivized to learn), then their groups should generally be DTQd during crunch. The one exception…if the group is currently self-funded, and wishes to remain that way with a TPA, then it's probably worth an investment of time.

Producer Self-funding experience/knowledge

a. On a scale of 1 – 10, how knowledgeable do they think they are on self-funding? Do they understand how Trend, TLO and Agg Accommodation works?

b. What cost containment options are experienced/comfortable with? What network options do they prefer? Can they sell Value Based Plans/Skinny Networks? Alternate Funding vendors?

c. How comfortable are they in selling Expected Cost?

d. What's the most important thing we could offer then to help drive sales and create loyalty?

Do we have any unfair advantage over the competition?

- Personal friendship?
- Someone owes someone a favor?

The Group

a. Punt if:

   i. A Law Firm….

   ii. They don't offer you current or renewal rates (blind bids)

   iii. If they're fully insured, we must use a BUCA network, be cheaper than Fully Insured on a "max cost basis", can only use a 12/15 or 12/18 contract & the producer wants a higher commission than Fully Insured (these people are a dime a dozen and are a waste of time)

RFP Sheet

Train your producers to provide good data and be able to answer many of these questions. Our time is no less valuable than theirs! If your producer can't provide this information, they really have no understanding of their client (or prospect), or they're too far away from the sale to have any opportunity to close the deal. The "Hail Mary" works in football, seldom in business…

Census:

    a. Date of Census? Is it current? (we've commonly received census' that are a year old)

    b. For each employee, do you have:

        iv. His or her Last Name, First Name
        v. DOB
        vi. Gender
        vii. Zip code
        viii. Plan Choice (if multiple plans).

    c. Can you reconcile the Census count to the Enrollment forms or claims data? Do the head counts closely match, and/or make sense?

    d. Participation? How many EEs are on the plan compared to FT employees? Low participation means adverse selection. How much is the employer paying towards Plan Costs?

Renewal Data

Fully Insured

    i. If within 60-90 days, we should have their renewal. Strive to get their complete renewal package with terms, fees, revised plan designs. This frequently shows Trend and helps with closing the deal.

    ii. Prior Years? Note how their plan designs changed over the prior two years. Note how much their renewals increases by year

    iii. Larger fully insured groups sometimes offer pretty good data (varies by state). Do we have 2-3 years of Premium vs Claims (and enrollment) data?

    iv. On HCCs, is the broker going to be able to offer ANY feedback on the HCCs? Stive to find out the status of these people on the front end. If we wait until last minute, we lose by default.

        1. Still on plan?

        2. Acute (one & done) or Chronic (ongoing)? Diagnosis/Prognosis Info?

        3. EE, spouse or dependent?

        4. If needed, can they arrange for our nurses to speak to these members (this is done often, contrary to popular opinion)?

    v. SBCs

        5. Ensure we have one for each plan design – verify the dates match their current coverage period. Do the plan names match what's on the renewal? Note discrepancies.

        6. Lower priority but can we get the actual Plan Documents, or SPDs for the Current year (this will help identify plan design deficiencies that we can exploit)

Self-funded Groups

     i. Current/Renewal rates & all contract terms? We need the complete package!

     ii. Administrative Service Agreement (ASO) – helps to uncover the competition's hidden fees. If they have a separate PBM agreement, ask for that as well.

     iii. For claims data to be creditable (meaning you can trust the claims experience more than the manual rate), you need a minimum of two years data, otherwise, our chance of winning the day is weakened. For High-Cost Claimants, prognosis and case management information should be provided on the CY people. If these people are on the PY reports, please indicate this.

     iv. Rename the files to something meaning to help you visualize what data we do/do not have (i.e., instead of "Claims", how about "HCCs 01.20 – 12.20")

     v. On large, more complex groups, it helps to organize the Claims data in a logical manner. Suggest sorting the data **by year** in the following order, and really understand data is/is not captured on that report:

          1. **Aggregate Report** – be mindful of what claims are reflected on this report. Excluded Claims? Laser or Agg Spec dollars? Contract Terms? What network was the group using for each prior year?

          2. **50% Report** - does it include lasers/Agg Spec information? Contract Terms?

          3. **Specific paid claims report** (this is usually a detailed paid claims report by individual) *this and the 50% report might be the same report*

          4. **Trigger Report (CY)** – illustrates members that have had a high-cost claims diagnosis (leading indicator for people not yet on the 50% report)

          5. **CM notes** for the members that are on the 50% report, Specific Paid Claims or Trigger report. We're trying to determine their Diagnosis/Prognosis

          6. **Precertification Report** (also called Utilization Review, or UR) (for the CY only)

          7. **Denied/Pending/Claims on Hold Reports** (CY only)

          8. **RX Reports** (preferable in Excel and list all data fields, to include NDC code by Member, Drug Name, dosing, Frequency, and costs (the key fields).

          9. **Prior Year Claim Reports** – Just need Aggregate and 50% reports, networks used and any Laser/Agg Spec info?

          10. **SBCs** (by year) – if the plan designs have gotten much leaner in the last 1-2 years, then we can more aggressively discount the claims experience in these prior periods.

The Opportunity Profiling document is intended to help all parties better profile prospects and increase our mutual closing ratios. There's no magic here….it takes work and discipline, and if you don't manage your time, other people will be happy to do it for you, and not in a good way.

Time is our most limited resource, manage it wisely…