



EMPLOYEE BENEFITS

Self-Insurance



IVY TECH
COMMUNITY COLLEGE

What is self-insurance and why does it matter?

Understanding how your insurance plan works helps you to make the most of your benefits.



The College's health plan is self-insured, which means the College pays the plan portion of medical or prescription claims directly. When you review an Explanation of Benefits (EOB) and there is an amount shown as paid by the plan, that amount is billed to the College. When the bill is received, the College pays it using the premiums collected at each payroll – both employee paid and College paid premiums. Collected premiums are also used to pay for administrative services provided by Anthem and CVS/Caremark.



The College pays a fixed fee to third-party administrators, Anthem and CVS/Caremark, to provide services like processing claims, managing plan deductibles/out-of-pockets, contracting with in-network providers, and negotiating preferred drug lists. The third-party administrators do not profit based on how individuals in the Ivy Tech health plan utilize care under the College's self-insurance arrangement.



The amount the College must collect in premiums each year is directly tied to the costs the plan anticipates paying. Each year at Open Enrollment, the College forecasts what it expects to pay for medical and prescription claims for the upcoming year. That forecast is the amount that must be collected through payroll premiums to ensure funds are available to administer the plan.

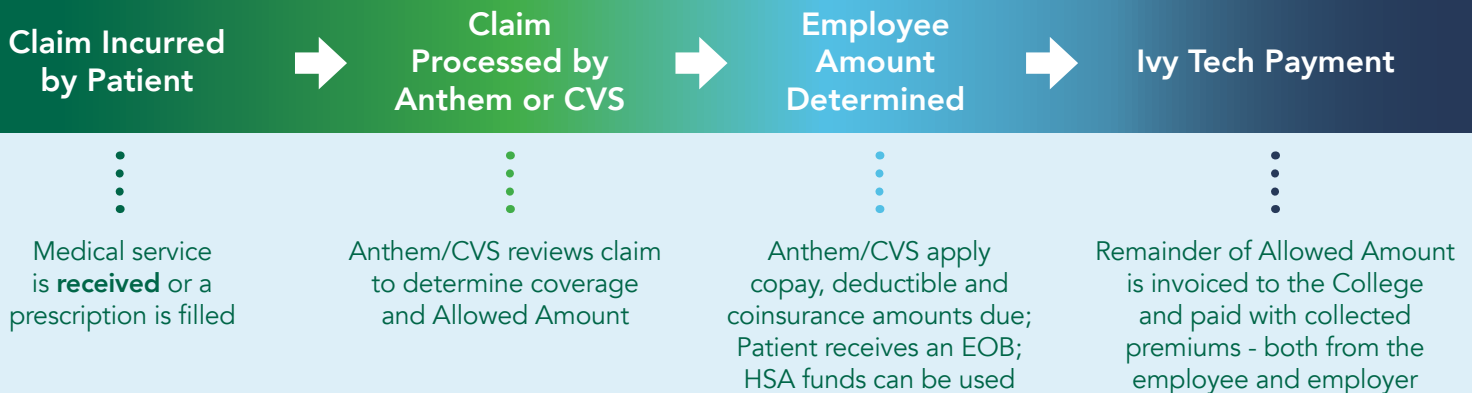
DID YOU KNOW?

A service that is "free" to employees, like vaccines and cancer screenings, is better described as "no cost" to employees. These "free" services are 100% paid by the College using collected payroll premiums.

The College's employer premium portion covers roughly 88% of the total premium cost, with the employee premium portion covering roughly 12% of the cost. On average, the College is contributing \$7 in premiums for every \$1 contributed by employees.

Self-Insurance 101: What it means for Ivy Tech

Anthem & CVS are paid a fixed fee for administrative services. Ivy Tech pays the plan share of claims using premiums collected.



So why is this information important to understand? Because the health plans and premium rates that the College can offer to employees is directly tied to individual health care decisions made by employees and dependents enrolled in the health plan.

A decision like finding an open urgent care facility instead of going to the emergency room for non-emergencies can make an impact on both your cost as an individual and our overall College health plan.