

Balanced Funding

A hybrid funding arrangement for **SMALL GROUPS**

Florida Blue's Balanced Funding provides the advantages of self-funding with the peace of mind of fixed monthly payments.

With the rising cost of health care, you may be evaluating your options. Let Florida Blue help balance your costs with Balanced Funding, a self-funded solution that includes programs to help manage your costs, along with an opportunity for you to save money when costs go down.

Balanced Funding is available to Small Group employers with 10-50 enrolled employees with effective dates on or after October 1, 2019.



What is Balanced Funding?

Balanced Funding enables you to provide health coverage for your employees at fixed per-contract, per-month costs. You get the financial protection that comes from monthly fixed costs along with the opportunity to benefit through a refund when your employees' claims are lower than expected. This funding arrangement is available to quote with any of our BlueOptions, BlueCare, and BlueSelect plans in our Small Group portfolio.

Advantages for your business

Refund when claims are lower than expected

When actual claims are less than projected, Florida Blue will refund a portion of the claims surplus.

Predictable monthly expenses

Your monthly cost for each covered employee includes your maximum claims liability, stop loss premiums and administration fees. We calculate your expected claims expense for the entire year and then divide that equally across months. This removes the cash flow uncertainty.

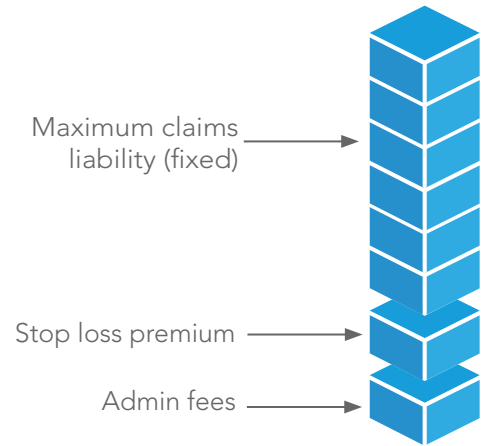
Health plans with a first-class combination of cost, quality, access and service

When you enroll in a Florida Blue health plan, your covered employees will have access to the care they need through our network of hospitals and physicians. And with every Small Group plan, you'll get our Better You Strides, our online wellness solution. Empowering your employees to take better care of themselves can improve productivity, boost employee morale and reduce the cost of claims.

How does Balanced Funding work?

When you enroll in Balanced Funding, you will have the same per-contract payment each month. Your Florida Blue premium will include three parts:

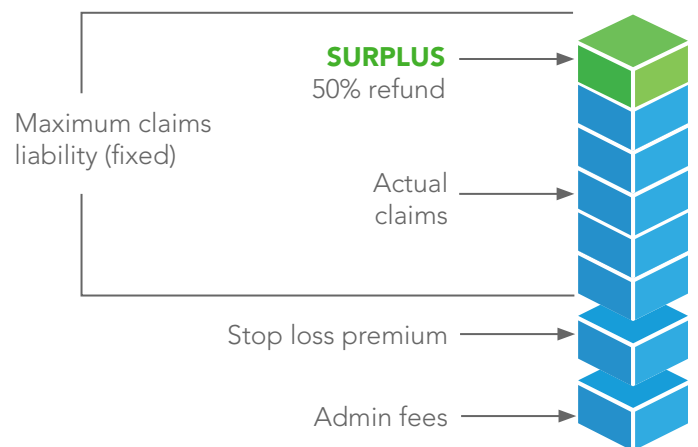
1. **Self-funded medical plan** that covers claims. This is the maximum you will have to pay for any claims made on your policy during the coverage year.
2. **Stop loss insurance policy** that will pay for any costs above your estimated yearly claims expense. This is financial protection for unexpected policy claims and ensures there are no additional out-of-pocket expenses.
3. **Administrative services agreement** that covers certain administrative services, such as claims processing, customer service and billing.



Scenario 1:

Lower-than-expected claims

When you make your monthly payment, a portion goes into an account to cover claims. At the end of the year, if actual claims are lower than the maximum claims liability, you will receive a refund equal to a portion of the claims surplus.



Scenario 2:

Higher-than-expected claims

If the total claims are more than the amount paid, your out-of-pocket expenses would be protected and you would not owe any additional money. Your stop loss coverage would cover the claims overage.

