



**ACTUARIAL SERVICES**  
POWERED BY MILLIMAN'S

**BENEFITS** *CFO*



**DELIVERING INSIGHT**

AVAILABLE TO EMPLOYERS WORKING WITH ALERA GROUP FIRMS



# BenefitsCFO™ Platform

## Summary of services for self-insured groups

### CAHP — Comprehensive Assessment of Health Plans Report:

Using survey data from over 5,000 mid-market employers, the CAHP Report provides customized benchmarks on premiums, plan designs, employee contributions, funding, and risk management.

### Plan Design Analysis:

Using Milliman's proprietary models, *Health Cost Guidelines™* and *Dental Cost Guidelines™*, actuaries can readily value benefit design changes to ensure healthcare programs meet employers' needs.



### Renewal Projection:

The BenefitsCFO™ Renewal Projection helps employers set preliminary budgets. The projection includes a trend analysis, stop-loss analysis with Monte Carlo simulation, manual rate from *Health Cost Guidelines™*, premium equivalencies, and employee contributions.

### Renewal Evaluation:

The Renewal Evaluation is the final step in the renewal process and is conducted after receiving renewals from the insurance carriers. The calculations completed in the Renewal Projection are updated with various items: additional claims experience, more recent enrollment, plan design changes, potential carrier changes, proposed administration fees, and stop-loss coverage options.

### 5-Year Projection:

The BenefitsCFO™ 5-Year Projection forecasts expected claims and expenses five years into the future based on group-specific assumptions, such as enrollment and trend. A range of conservative and aggressive estimates of projected costs are provided to give employer groups a better understanding of their susceptibility to risk.

### Healthcare Reform Employer Impact Report:

This report assesses the impact of healthcare reform in various ways: enrollment in exchange plans and Medicaid, expected costs in those areas and additional taxes and penalties. Highlights include a 10-year cost summary, migration scenarios and individual cost comparisons.

### Stop-Loss Analysis:

Designed for groups that are currently self-funded, The BenefitsCFO™ Stop-Loss Analysis assesses the risks and costs for various stop-loss coverage levels. Using Monte Carlo Simulation, we provide a graphic display of potential scenarios to determine what options fit the employer's risk preferences.

### FMR — Financial Monitoring Report:

The BenefitsCFO™ FMR brings together claims experience, paid benefits, expenses, and budgets into one financial report for gross and net costs. Up-to-date forecasting leveraged through actuarial analysis turns "data" into "information" giving you the ability to manage proactively, not reactively.

### IBNR Reserve — Incurred But Not Reported Reserve:

The IBNR Reserve calculation uses actuarial projection techniques to estimate incurred claims and determine how much you should be holding in reserves to avoid IRS and DOL compliance issues. We can provide reports annually or quarterly and will help explain results to auditors in light of Sarbanes-Oxley requirements.

### Health Plan Assist™:

Health Plan Assist™ is an innovative software product based on Milliman's *Health Cost Guidelines™* that helps employees select a health plan. Used as a decision support tool, Health Plan Assist™ gives employees an estimate of their out-of-pocket costs for medical, dental, and vision coverage in a side-by-side comparison of options.



Medical



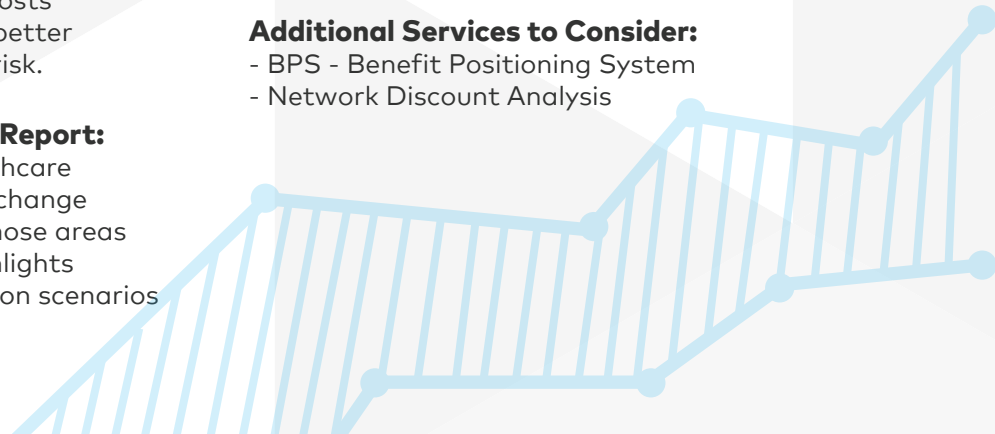
Dental



Vision

### Additional Services to Consider:

- BPS - Benefit Positioning System
- Network Discount Analysis

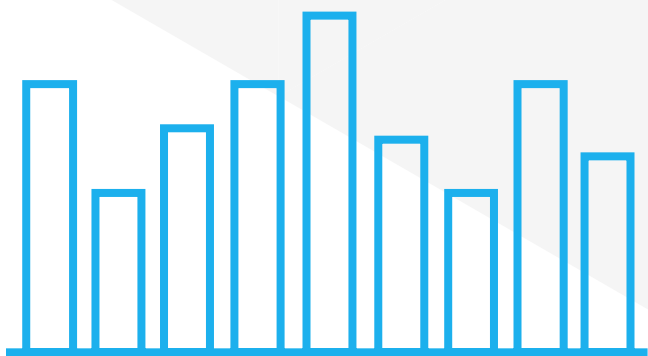


# BenefitsCFO™ Platform

## Summary of services for fully insured groups

### CAHP — Comprehensive Assessment of Health Plans Report:

Using survey data from over 5,000 mid-market employers, the CAHP Report provides customized benchmarks on premiums, plan designs, employee contributions, funding, and risk management.



### Plan Design Analysis:

Using Milliman's proprietary models, *Health Cost Guidelines™* and *Dental Cost Guidelines™*, actuaries can readily value benefit design changes to ensure healthcare programs meet employers' needs.

### Mid-Year Renewal Projection:

The BenefitsCFO™ Mid-Year Renewal Projection helps employers set preliminary budgets prior to receiving the renewals from the carriers. We complete a pricing calculation to determine the projected premium and compare this to the current premium rates. A trend analysis allows outliers or seasonality problems to be identified and addressed.

### Healthcare Reform Employer Impact Report:

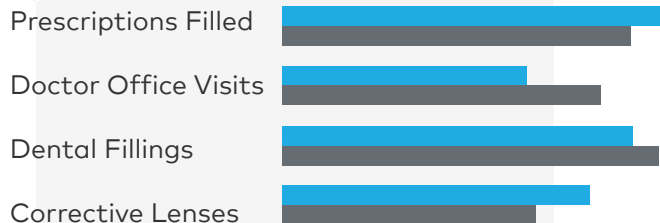
This report assesses the impact of healthcare reform in various ways: enrollment in exchange plans and Medicaid, expected costs in those areas, and additional taxes and penalties. Highlights include a 10-year cost summary, migration scenarios, and individual cost comparisons.

### Renewal Evaluation:

The Renewal Evaluation is conducted after receiving fully insured renewals. Using the *Health Cost Guidelines™* and other cost models, we calculate a manual rate and projected premium to compare to other quoted rates. In addition, our actuaries will review the renewal for proper calculation of reserves, benefit changes, large claims adjustments, administration fees, pooling charges, and profit margin.

### Health Plan Assist™:

Health Plan Assist™ is an innovative software product based on Milliman's *Health Cost Guidelines™* that helps employees select a health plan. Used as a decision support tool, Health Plan Assist™ gives employees an estimate of their out-of-pocket costs for medical, dental and vision coverage in a side-by-side comparison of options.



### Additional Services to Consider:

- SIFA — Self-Insured Feasibility Analysis
- Merger & Acquisition Assessment Report





## **DELIVERING INSIGHT FOR HR BENEFITS AND THE CFO**

The benefits department needs more competitive benefit plans to attract and retain key employees. The CFO needs to balance a budget that is showing annual healthcare trends in the 8-10% range while the budget only has room for 4-6%.

### **The BenefitsCFO™ Platform Meets Both Needs.**

#### **KEY FEATURES**

- Proprietary actuarial cost models recognized as the "gold standard"
- 60 Years of experience with national and international coverage
- Market-leading benchmarking data
- Independent third-party consulting free of conflicts
- Online tools with health analytics and predictive modeling

Originating in Milliman's Health & Welfare Consulting Practice in Omaha, the BenefitsCFO™ Platform was developed in 2002 to address the needs of mid-market employers looking for more sophisticated financial and actuarial analysis. The BenefitsCFO™ Platform offered by Alera Group delivers these services continuously throughout the year. They are tailored to fit all types and sizes of employers; including self-insured and fully insured. In addition, we offer a number of additional services on an ad hoc basis. Consistent with Milliman's brand of "delivering insight," BenefitsCFO™ is recognized as an industry leader in benchmarking data, actuarial analysis, and unique tools to advise clients.

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property and casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent, privately held firm with offices in major cities around the globe. For further information, visit [milliman.com](http://milliman.com).



**BENEFITS CFO**