# Employer self-insured health plans

## What to do if you have a complaint

### What is a self-insured employer plan?

Many people aren't sure whether the health plan they have through their employer is fully insured or self-insured. But if you work for a large company or government, there's a chance your health plan is self-insured.

These self-funded plans are not insurance. The employer pays employee health care costs from the employer's own pocket.

That's why these self-funded plans tend to work best for companies that are large enough to offer good coverage and pay large claims for expensive medical services.

A self-insured plan may seem just like traditional insurance to you, but it does not always work the same way. And the differences can be important.

Of course, as long as claims are being paid you may not notice whether your employer is fully insured or self-funded.

### How do self-insured employer plans work?

Self-funded employers normally hire third party administrators (TPAs) to keep track of premiums, claims and related paperwork.

- Some insurance companies contract as TPAs. This can disguise the facts if your plan is self-funded.
- The names of both the TPA and employer appear on the benefits handbook and claim forms — just as if the TPA were actually your insurance company.
- A self-funded employer takes on the roles the insurance company usually plays, including paying claims, deciding on benefits and which claims to pay.
- TPAs simply follow the employer's orders.

### What kind of plan do I have?

Find out by reading your benefits handbook. Still unsure? Ask the people who work in your employer's human resources office or the union's benefits office.

## My claim was denied. Now what should I do?

Self-funded plans usually have an internal process to review claim denials. You must complete the internal process before seeking outside help. This process is explained in the health benefits handbook you received from your employer.

A federal labor law called ERISA (officially, the Employee Retirement Income Security Act of 1974) governs employers that are self-funded. Complaints about self-insurers are investigated by the U.S. Department of Labor.

**How to contact the U.S. Department of Labor:**
U.S. Department of Labor
Pension & Welfare Benefits Administration
1885 Dixie Highway Suite 210
Fort Wright KY 41011-2664
(859) 578-4680
www.dol.gov

## My employer ended the plan. What can I do?

You may be responsible for your own medical bills if your self-insured employer goes out of business or stops offering coverage. Unpaid health care claims will be treated like claims for unpaid wages.

That means if you had medical services that were not covered before the self-funded plan ended, you might have to pay those bills out of your own pocket.

**Actions you can take:**

- Read and make sure you understand your benefits handbook.
- Your company's benefits manager can help if you need to file a claim for payment. If the claim is denied, you can then request a review of the denial.
- If you are a member of a labor union, the union can file a grievance for you, investigate the employer's financial status and help you negotiate payments on your past medical bills.
- If you're still not satisfied, you can file a complaint with the U.S. Department of Labor — the federal agency responsible for investigating complaints about self-funded employers.
- Consider legal assistance as another resort. The company may have violated an implied contract by refusing to pay medical bills which came about while self-insured health benefits were being offered.