

10 Considerations When Families in EI Have Employer Self-Funded Insurance Plans

A guide for your discussions with families that have employer self-funded health insurance.

What is Employer Self-Funded Insurance?

Most employer group insurance plans are fully insured. Under fully insured plans, your insurance company takes on the financial and legal risk of loss. In exchange, your company pays fixed premiums.

However, **employers with self-funded, or self-insured, plans take on the risk of paying for their employees' health care.** If claims are lower than expected, self-funded plans save businesses money on health care costs. If claims are higher than expected, stop-loss insurance can limit financial risk.

Source: [Health Alliance Self-Funded Group Plans](#)

1. Helping families learn to work with their insurance company, navigate eligibility, preauthorization and provider networks will strengthen families for years to come. Service coordinators and parent liaisons can help teach those skills!
2. Families have an opportunity to develop relationships with in-network insurance providers that value the early intervention (EI) philosophy of having families as partners in natural settings.
3. Families may establish a relationship with an in-network insurance provider that potentially lasts beyond EI and benefits their child throughout development.
4. A pattern of payment and services is established which can assist families if their children require supports beyond age three.
5. Families will know what their potential out of pocket expenses will be up front and there won't be any unknowns about co-payments, co-insurance, or deductibles.
6. EI program will assume co-payments and deductibles through the Family Participation Fee eligibility which may help a family work off their deductible for their entire family more quickly and at a reduced amount.
7. There are safeguards in place, such as the Insurance Exemption, to protect families with individual plans, lifetime caps, and/or a tax savings account that automatically withdraws funds when a claim is made.
8. The family fee payment may be reduced or even nullified if the insurance covers 100% of early intervention services.
9. Families are not charged disproportionately compared to families without benefits.
10. Families can change their mind and revoke consent at any time! They can specify what EI services they want to use for their insurance, and they will be asked for consent if there is an increase in frequency or intensity to their EI services.



Good to Know

- *Self-funded plans are not regulated by the Illinois Department of insurance and are not governed by state laws.*
- *The Illinois Department of insurance has no jurisdiction on self-funded plans. This is important when filing an appeal for a claim.*
- **Self-Funded plans are regulated by the US Department of Labor under the Employee Benefits Security Administration and appeals can be filed to this department.**