

Training For How Do Employers Fund Their BEN-E-LECT Claims?

If you are watching this video then you have already taken the first step toward lowering and controlling the cost of providing benefits to your Employees. If you understand "Why and How" the BEN-E-LECT Plan works then the next step is to understand how an Employer actually funds or pays for the claims incurred by its members. And remember, Employers only pay for benefits if the benefit is actually used by a member. It is this fact that allows Employers to lower their plan costs while improving benefits.

BEN-E-LECT was the first plan in America to show small Employers how to lower the cost of their Employee medical, dental, and vision plans by implementing an Employer Driven Benefit Plan™.

BEN-E-LECT created the Employer Driven Benefit Plan™ to put Employers in control of the Employer's health plan cost and benefits. This is often called the BEN-E-LECT Plan.

Let's assume for a moment that you wish to design your medical plan so that your members will have a copay for Doctors visits of \$20, Prescription copays of \$10 for Generic & \$25 for Brand Name, and that you want members to pay a co-insurance of 20% when utilizing other services. How will these benefits be provided and how will the claims get funded?

There are two ways for Employers to fund the cost of claims paid through their Employer Driven Health Plan™:

Deposit Funding:

The most popular method is called Deposit Funding. At enrollment time the Employer will provide BEN-E-LECT with a small deposit which BEN-E-LECT holds in its Claims Accounts located in The Bank of the West. As BEN-E-LECT processes and pays claims throughout the month this account will be drawn down. BEN-E-LECT mails payments to Providers and BEN-E-LECT EOBs directly to the member who incurred the claim.

During the first week of every month BEN-E-LECT reconciles this "claims account" and sends the Employer a roster listing each check written to providers. In that notice will be a request to "replenish" the claims account back to the starting point. These requests are called your "Replenishment Letter". You should receive your letter between the 5th and 10th of each month. It is important to return your replenishment as quickly as possible to insure future claims are paid in a timely manner.

This is the most popular method because BEN-E-LECT does 100% of the processing and banking for the Employer.

Note: Please make all Replenishment payments payable to "Employer Elect."

Standard Funding:

For Employers electing Standard Funding, BEN-E-LECT will process payments using a bank account that the Employer establishes at its bank and the Employer is the only one who can sign these checks. BEN-E-LECT will produce the checks to look as though they were produced in the Employer's office.

Once each week, BEN-E-LECT will package all the checks processed for the week along with the appropriate Employee EOBs and send both the checks and Employee EOBs to the Employer. The Employer will sign and mail the checks to the provider and then distribute to members their EOBs.

Standard Funding provides Employers 100% control of their claims dollars but requires more involvement by the Employer. BEN-E-LECT offers Employers a choice of how to fund claims but it is easy to see why most Employers elect the Deposit Funding method.

One Final Note: The initial deposit for Deposit Funding is calculated with a formula to insure enough deposit is on hand to pay claims without building up too much in the account. A BEN-E-LECT Team Member can assist you with establishing and maintaining the appropriate levels.