Funding

TRS ActiveCare — SELF-INSURED PLAN OPERATING AS FULLY INSURED MODEL	vs.	Texas Educators Health Plan — LEVEL-FUNDED & PARTIALLY SELF-FUNDED
- Fixed monthly premium to carrier - Pay for claims in advance - Plan assumes the risk for all members	Premiums & Risk	- Monthly contributions remain with employer, claims paid as they come in (or levelized) - Risk is held by the stop-loss carrier for specific and aggregate claims
- Insurance company keeps unused premiums as profit - Higher fees are embedded	Cash Flow	- Instead of healthcare premiums, employer purchases stop-loss policies and pay for administrative TPA fees - Employee health care claims are paid monthly
- Limited menu of plans - No control on plan options	Plan Design	- More ability to customize plan coverage, network, providers - More flexibility to adjust plan components - Cost-containment options, such as reference-based pricing
- No access to data to control costs - Opaque process with rates negotiated by others	Transparency	- More visibility and better access to data and insights - Ability to forecast and implement programs to lower costs
- Process is handled by insurance carrier - Unknown costs bundled in monthly premium	Administration, Compliance & Documentation	- Handled through Third-Party Administrator (TPA) - Fully integrated compliance management
- $0 upside potential to school district even in low utilization years	Economic Benefit	- Employer can potentially realize cost savings through lower renewal premiums in subsequent years when actual claims are lower than expected