

How best can your Association Health Plan (AHP) compete on price or cost?
What strategies can be deployed to better manage your AHP's cost and utilization drivers?

What funding strategies best align with your risk profile?

What options exist to improve the AHP's financial situation without cutting benefits?

MorningStar Actuarial Consulting can help answer these questions. We have been providing actuarial support for association-sponsored health plans over our combined 75 years of experience.

We can identify the opportunities associated with an AHP, develop benefit and cost control strategies to stay competitive, conduct data analyses to identify cost-drivers, and provide the fundamental actuarial support needed to sustain a well-managed and successful association plan.

Association Health Plans (AHPs) have the opportunity to provide lower cost healthcare to small businesses than may currently be available through the Affordable Care Act's (ACA) Marketplace Exchange. The allowable exclusion of Essential Health Benefits (EHBs) provide opportunities to lower cost but may be limited as a result of state mandates, other provisions of the ACA, and/or other federal healthcare regulations.

Opportunities also exists for AHPs if the covered population exhibits a lower risk profile than that covered by the ACA plans. Additionally, cost reduction can result from the implementation of innovative healthcare solutions not offered in the ACA plans, introducing narrower, more efficient network options, and implementing claim management strategies.

Pricing strategies can differentiate an AHP offering from competitors and available ACA plan options. Exploring age rating variations permissible under AHP that differ from ACA plans, gender rating and coverage tier options, and the use of industry and geographical rating factors also present opportunities.

Finally, various funding strategies and stop loss options can help an AHP manage risk consistent with its desired profile. An AHP's acceptable / appropriate risk retention typically changes over time and should be assessed periodically.



MorningStar Actuarial Consulting provides a suite of services that address these risks and opportunities for AHPs for use in defining its offering to best meet its needs, including:

- *Feasibility analyses for start-up AHPs*
- *Plan design consulting*
- *Evaluation of funding strategies*
- *Actuarial pricing*
- *Fund projections*
- *Contribution rate development*
- *Reserve analyses*
- *Healthcare data analyses*
- *Insurer/TPA evaluation and selection support*

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