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G97-1318 Nebraska Insurance Purchasing Groups: A Guide for Implementation

Angela Parato

Nebraska Health and Human Services

Mary Ellen Rider

University of Nebraska - Lincoln

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Nebraska Insurance Purchasing Groups: A Guide for Implementation

This publication provides interested Nebraskans with a step-by-step guide to follow when setting up an insurance purchasing group. It also details the responsibilities of a third party administrator. It should be used in concert with NebFact NF96-263.

*Angela Parato, Nebraska Health and Human Services
Mary Ellen Rider, Family and Consumer Science Specialist*

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Background

Nebraska legislation (L.B. 1222) allows Nebraskans to come together for the sole reason of purchasing health insurance. Background information about how to begin, types and portability of coverage, what providers to include, and when to evaluate the plan can be found in the NebFact sheet, *How to Form Insurance Purchasing Pools in Nebraska, NF96-263*.

Purpose of This Publication

Because availability of people and services is the basis of insurance purchasing groups, how groups develop will vary. This guide provides a list of options to consider in the organizational and implementation processes. Formation takes time. This guide sheet is a long-range planning tool, not a one session plan.

Using This Publication

Before using this publication, members of the potential insurance purchasing group should study NebFact Sheet, *How to Form Insurance Purchasing Pools in Nebraska, NF96-263*.

For record-keeping purposes, indicate on which date the group or its elected leadership decides the step is completed. This should be recorded on the step's line under the date completed column. If the step does not apply to the group, record this date under the "not applied" column on the appropriate step's line.

IPG Checklist			
	Date Completed	Date Revised	Not Applicable
1. Call an initial meeting			
a. Minimum of 25 attendees			
b. Invite guest speaker to cover basics of insurance purchasing groups	12/6/96		
Suggestion: Extension			
Department of Health			12/16/96
Department of Insurance	12/13/96		
c. Determine need for future meetings			
Determine: Content/agenda for future meetings			
Basic insurance education			
Group needs assessment			
d. Other, specify: _____			

Not all steps listed here will fit a particular group, i.e. all groups will **not** follow each step. Likewise, a group may decide on processes they need to explore that are not listed here. In such cases, the process should be added by writing it on the list. Follow the record-keeping process described in the previous paragraph for these added steps, too.

Newer information or time and experience may bring change to the insurance purchasing groups decisions and/or plans. For this reason, you should document the change in plans by date.

Groups might also consider supplementing this guide sheet with minutes of its planning and evaluation meetings.

IPG Checklist

		Date Completed	Date Revised	Not Applicable
1. Call an initial meeting				
a.	Minimum of 25 attendees	_____	_____	_____
b.	Invite guest speaker to cover basics of insurance purchasing groups	_____	_____	_____
	Suggestion: Extension	_____	_____	_____
	Department of Health	_____	_____	_____
	Department of Insurance	_____	_____	_____
c.	Determine need for future meetings	_____	_____	_____
	Determine: Content/agenda for future meetings	_____	_____	_____
	Basic insurance education	_____	_____	_____
	Group needs assessment	_____	_____	_____

d.	Other, specify:	_____	_____	_____
2. Determine Pre-organizational Meetings				
a.	Select leader or steering committee	_____	_____	_____
b.	Establish schedule, time, and location for all meetings	_____	_____	_____
c.	Other, specify:	_____	_____	_____
3. Describe Group Demographics				
a.	Age of each covered	_____	_____	_____
b.	Employment--type for each	_____	_____	_____
c.	Gender	_____	_____	_____
d.	Health history (past, present, and future) of person/s to be covered	_____	_____	_____
e.	Other, specify:	_____	_____	_____
4. Determine Group Goals and Work Plan <i>(If this is done as a group without an expert, recognize that plans could change with TPA or attorney input).</i>				
a.	Leadership Responsibility	_____	_____	_____
	Change of Leadership	_____	_____	_____
	Decision-making Process	_____	_____	_____
	Who makes decisions--group or specific leader?	_____	_____	_____
	What issues will be made by leadership?	_____	_____	_____
	Process to follow	_____	_____	_____
b.	Membership Responsibility	_____	_____	_____
	Fees Amount	_____	_____	_____
	Schedule	_____	_____	_____
	Meetings	_____	_____	_____
	Attendance tied to enrollment	_____	_____	_____
	Agenda	_____	_____	_____
c.	Target size of Group	_____	_____	_____
	Use incremental time table approach if needed	_____	_____	_____
d.	Define Group Membership	_____	_____	_____
	Open or closed enrollment	_____	_____	_____
	Frequency of enrollment periods	_____	_____	_____
e.	Select Third Party Administrator (TPA)* and Attorney for Group	_____	_____	_____
	Obtain List of TPA options enclosed or from Nebraska Department of Insurance	_____	_____	_____
	Determine comparison for TPA and Attorney Fees	_____	_____	_____
	Ability to serve group	_____	_____	_____
	Determine method of financing consultations by TPA and attorney	_____	_____	_____

		Meet with experts	_____	_____	_____
		Review group decisions and goals	_____	_____	_____
		Based on consultation/s, make modifications to work plan	_____	_____	_____
f.	Document Group Decisions and Plans		_____	_____	_____
g.	Bids (a function of Needs Assessment, TPA, availability and accessibility of health services)				
		Request proposals from companies	_____	_____	_____
		Evaluate reviewed proposals	_____	_____	_____
		Projection of Membership	_____	_____	_____
		Static	_____	_____	_____
		Recruitment	_____	_____	_____
h.	Other, specify:	_____	_____	_____	_____
		_____	_____	_____	_____
5.	Hold meeting for purpose of selecting health plan/s				
a.	Plans available are presented to group		_____	_____	_____
b.	Health Plan Evaluation		_____	_____	_____
		Does it fit needs and budget of group?	_____	_____	_____
c.	Other, specify:	_____	_____	_____	_____
		_____	_____	_____	_____
6.	Annual Review of Plan				
a.	Health Plan Evaluation		_____	_____	_____
		Does it fit needs and budget of group?	_____	_____	_____
		What is the fiscal health of the insurance company?	_____	_____	_____
		What is the level of satisfaction with service provided?	_____	_____	_____
b.	Other, specify:	_____	_____	_____	_____
		_____	_____	_____	_____

Third Party Administrator

A third party administrator (TPA) is an individual or business that is employed or hired to handle certain administrative services associated with health insurance. They handle daily operations and administrative duties for health insurance purchasing groups (IPGs). TPAs must be approved by the State of Nebraska. A list of all approved TPAs is available upon request from the Nebraska Department of Insurance for a small fee.

An insurer can be a TPA, serving both as the TPA and as the health insurance broker. As a broker, the TPA would advise the group about a variety of health plans.

An IPG should assess its needs for assistance and select the appropriate professional accordingly. A third party administrator can provide assistance with enrollment; premium collection and payments; reconciliation of claims and disputes that might arise; administration of benefits; data collection, analysis, and distribution; assistance with the negotiation of health plans, etc.

The TPA should be selected to match the IPG's needs. Before selecting, the IPG should make a list of the tasks or activities they wish a TPA to perform. These tasks will vary according to the needs of each IPG. For example, one IPG may not have the ability to handle new enrollees. As the enroller, the TPA would be contacted by new members to complete the necessary paperwork for joining the IPG.

Once a TPA is selected, a contract between the IPG and the TPA should be established. The contract should specifically outline the duties, assignments, accountability, and responsibilities of the parties involved. The TPA's performance should be reviewed periodically to ensure that the needs of the purchasing group are met. In this manner, accountability between the IPG and the TPA are clear.

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