

BUSINESS INSURANCE

Health Care Captives – The Conflicts & Opportunities

2018 World Captive Forum

January 31 – February 2, 2018

Fort Lauderdale, FL

#WorldCaptiveForum

Our Presenters:



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Impacts of the ACA

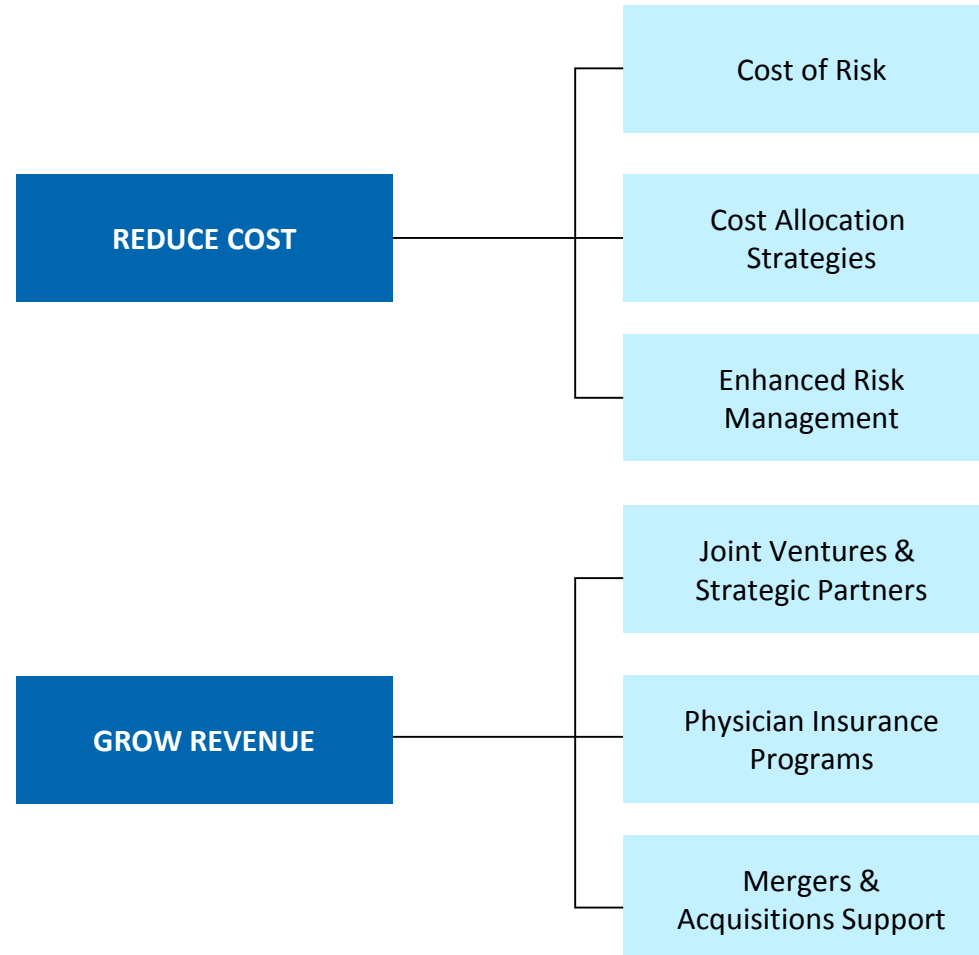
- ✓ Emerging Reimbursement Models
- ✓ Increasingly Complex Care Delivery Models
- ✓ Healthcare M&A and Consolidations
- ✓ Influx of Private Equity Investments
- ✓ Physician Integration & Joint Ventures
- ✓ Nexus of Health Plans & Health Systems
- ✓ Increasing Costs of Healthcare Despite the ACA
- ✓ Enhanced Use of Narrow Networks



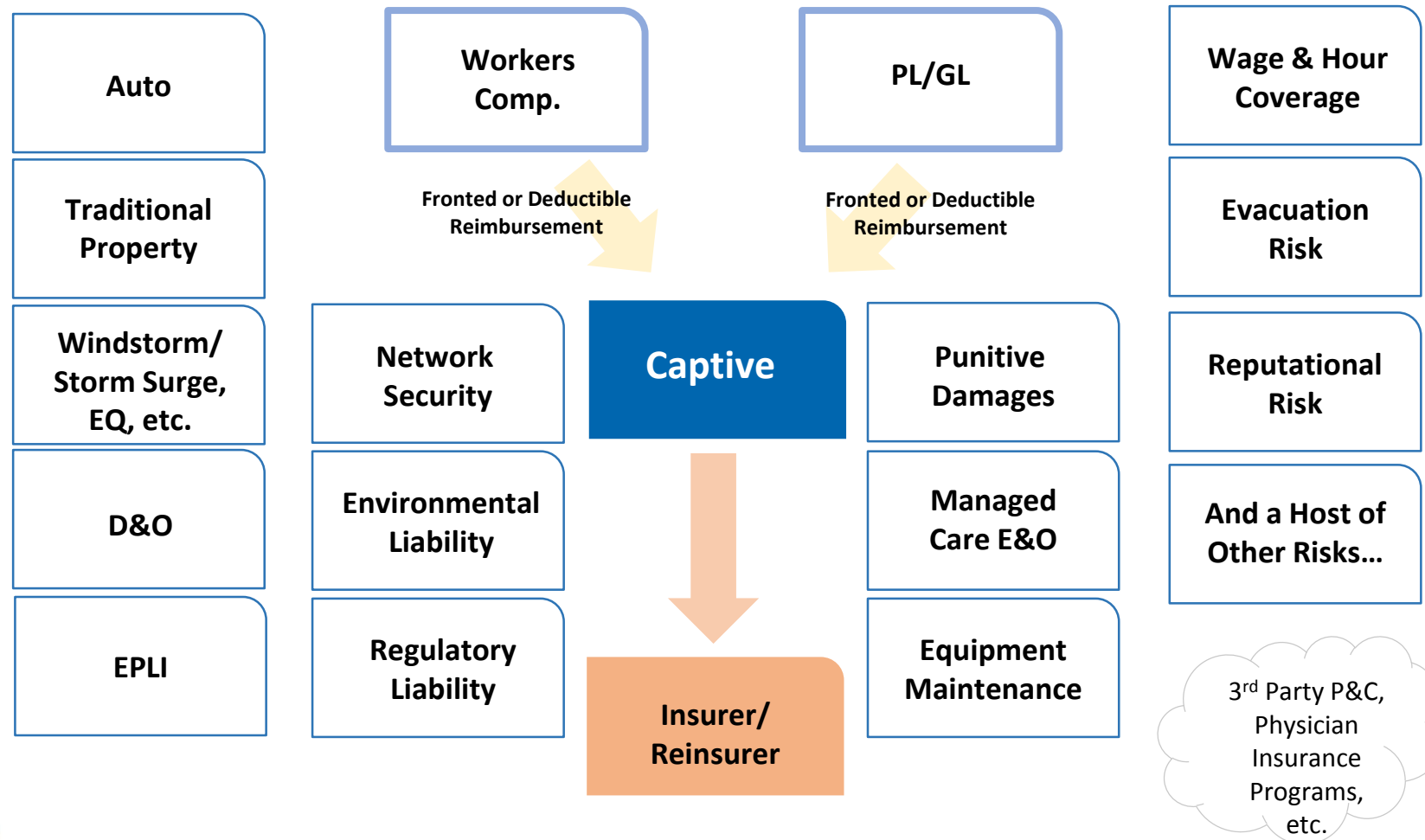
Enhanced Healthcare Captive Strategies:

GOALS

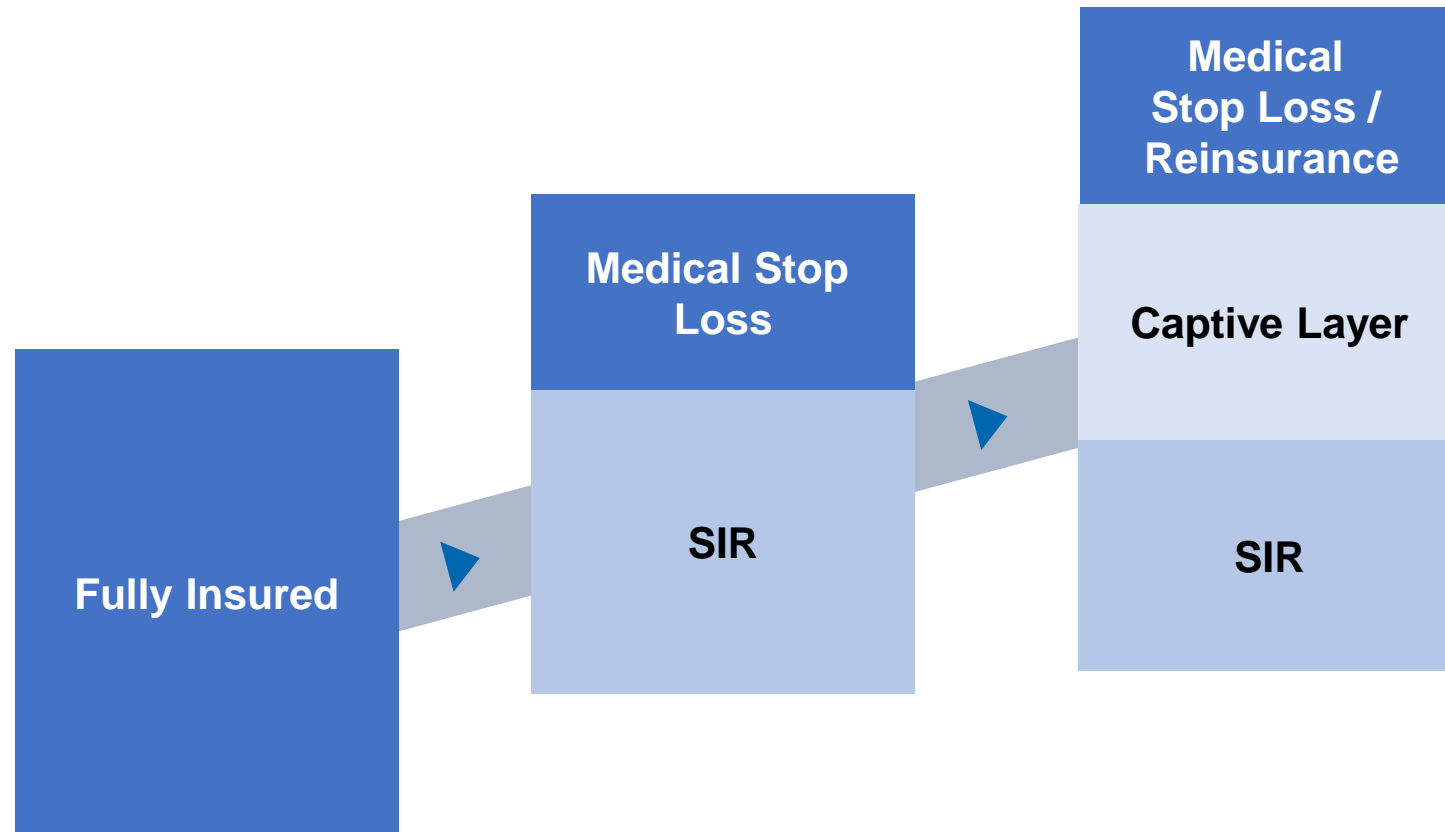
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Captive Utilizations – Property & Casualty:



Captive Utilizations – Medical Stop Loss:



Healthcare Liability & Delivery Risks

How contiguous are the risks?



Area Employers
W/C



Hospital Professional/
General Liability



Hospital W/C



Over-Utilization
(Provider Stop Loss)



Hospital Employer
Stop Loss



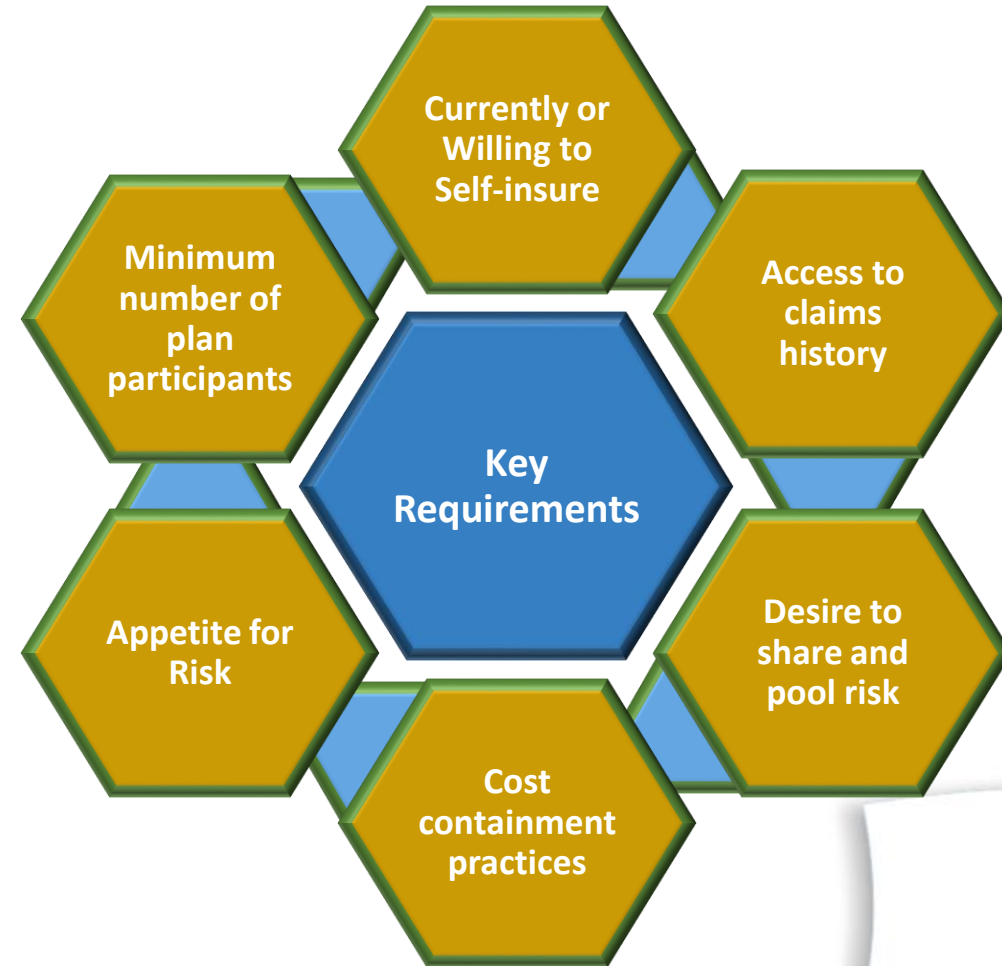
Area Employer
Stop Loss



Affiliated Professionals
Professional Liability

3rd Party Employer Stop Loss Challenges

- ✓ Can you get enough interest?
- ✓ Do prospects meet key requirements?
- ✓ Will area employers agree to your hospital's narrow network?
- ✓ Will you provide care at below market rate reimbursements?
- ✓ Can you compete with the commercial carriers?
- ✓ If you're successful, how will the commercial carriers respond?
- ✓ How will your competitors respond?



Hospital Participation Challenges

- ✓ Employed healthcare providers want the “best” (i.e. most expensive) care
- ✓ Employed providers may resent the narrow network
- ✓ Employed providers want leading-edge pharmaceuticals
- ✓ Tendency to manage to the highest reimbursement vs. the lowest cost
- ✓ Does a care vs. reimbursement conflict of interest arise?



Q&A

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Key Takeaways:



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