

▶ Private Exchange Checklist

When Findley Davies helps clients conduct due diligence on the feasibility of using a private health exchange (PHE), we consider a number of issues and pose questions to the PHE such as:

Flexibility

1. Do you enable the employer to select the provider network(s)? Can you vary the network by geographic region to ensure minimal provider disruption for members and long-term stability?
2. To what extent can the employer select exchange Medical/Rx plan designs?
3. Do you offer the employer a choice among several PBM partners?
4. Can you offer ancillary benefits using the employer's existing Dental, Vision, Life and Disability carriers?
5. To what extent does the employer control the offering of employee-paid, voluntary products, such as Critical Illness, Accident or Hospital Indemnity plans?
6. Can the employer elect to self-fund the Medical/Rx benefits delivered through the PHE?
7. Do you permit the employer to continue "legacy" plans off the exchange?
8. Do you offer the employer a choice among several HSA banking partners?

Operations

1. How do you interface with the employer to acquire health benefit eligibility information?
2. How do you interface with the employer's HR/Payroll function to facilitate employee contributions?
3. How do you facilitate required PPACA reporting under IRC § 6055 and 6056?
4. Do you provide, or offer through a contractor, proactive member services? Are you willing to provide performance guarantees that address:
 - 1st call resolution;
 - Sufficient and timely access to live member service representatives;
 - Outreach to medical providers for additional/missing information; and
 - Communication tools to enhance employee knowledge, comprehension, employee engagement, consumerism, and cost-transparency (includes use of social media).
5. How do you provide employers excellent, client-centered account management? Do you offer performance guarantees not only for successful, on-time implementation, but also fully satisfactory on-going service?
6. If the exchange Medical/Rx plans are insured, how does the underwriting/renewal process work? How are large, catastrophic claims normalized?
7. How do you support an employer's Chronic Condition Management program?
8. What specific Chronic Condition Management programs do you provide?
9. How do you support an employer's Wellness Initiative?



*Smart solutions
for a changing workforce*

▶ Private Exchange Checklist

10. What specific Wellness programs, resources and tools do you provide?
11. If self-funded, do you provide actionable claims reports with meaningful industry benchmarks to reveal cost trends and drivers?
12. Under your HSA options, do you have real-time connectivity with all PBM partners?

Compensation/Indemnification

1. If insured, are compensation arrangements automatically built into the exchange Medical/Rx rates? If yes, what the compensation arrangements, including base commissions and overrides?
2. If self-funded, what are the compensation arrangements?
3. Are you willing to indemnify and hold the employer harmless against causes of action relating to employees who allege they were not provided with sufficient choice of plans, or their plan did not have sufficient choice of providers, or the plan was not of high quality? Are you willing to certify that at least one of the plans offered to each employee meets both ACA minimum value and affordability requirements?

Please contact, [Bruce Davis](#), Principal and Health & Group Benefits National Practice Leader to learn more about Findley Davies' due diligence services to help organizations make critical health benefits decisions.