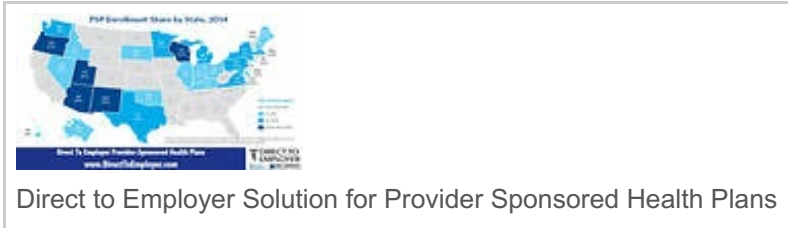


# New Direct to Employer Provider-Sponsored Health Plans

Stewart Schaffer May 30, 2018



**Direct to Employer is a provider-sponsored, non-insurance health plan program designed for hospital systems (Providers) to offer to area employers.**

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The number of provider-sponsored health plans

(PSPs) is strongly on the rise in the United States giving way to a [direct to employer](#) (DTE) solution for health care plans. According to Price Waterhouse Cooper (PwC), 50 percent of U.S. health systems have applied, or will apply, for an insurance license. PSPs have many assets they can leverage for success: reliable access to claims and clinical data, strong brands and customer loyalty, and an ability to innovate relatively quickly.

Despite these advantages, there are still significant risks involved in creating an insurance-based PSP. High start-up costs and managing risks have consistently been prime factors in the demise of many PSPs. A recent Robert Wood Johnson Foundation Assessment found that only four of 37 PSPs formed in 2010 were turning a profit in 2015. Five other plans have gone out of business. Most recently, insufficient revenues and large risk adjustment payments ended Northwell Health's CareConnect in August of 2017.

Enter the DTE solution formed in partnership by [CSuite Solutions](#) and [Key Benefit Administrators](#) (KBA). DTE is a provider-sponsored non-insurance health plan program designed for healthcare systems and hospitals to offer to their own employees along with other area employers – thus the direct to employer name. This self-funded health plan includes reinsurance that allows employers the opportunity to minimize their exposure to catastrophic risk. This program also allows provider and employer to work together to drive down the costs of healthcare and share the savings. The DTE program keeps the financial risk centered on the employer, who also pays for reinsurance. It levels the playing field with the large payors and allows the provider development and control over their own network.

Note: this applies to provider-sponsored commercial insurance plans not self-fund. The [DTE health plan model](#) offers low cost of entry and speed to market. If a Provider were to raise capital for the necessary infrastructure to support a DTE program on its own, that Provider would spend more than two million dollars and take 18 months or more to deploy. By working through the partnership of CSUITE and KBA, a fully deployed, ready-to-market DTE program can take six months or less to implement and cost less than 400,00 dollars.

Another obstacle for providers is that provider-sponsored health plans need to develop internal operations that facilitate population health management capabilities. The DTE program accounts for this as well. Under the KBA umbrella, the American Health Data Institute (ADHI) is the backbone of population health data. ADHI warehouses healthcare information from over 1.5 million people in 48 states. The company's analytics tools are time-tested and known to improve the health of the populations and reduce costs.

CSUITE and KBA are offering Providers the unprecedented ability to disrupt the current payors and market health plans directly to employers without the participation of an insurance company. The combined knowledge, experience and [leadership of these companies](#) provides PSPs with a comprehensive, inexpensive solution to get to market quickly, [manage revenue cycles efficiently](#) and make as well as sustain profits.

## About CSuite Solutions

CSuite Solutions was formed to attract the most senior and accomplished health care industry executives in their respective fields. They have spent most of their long careers transforming hospitals and major health care systems, physician groups and other providers into efficient and financially robust operating organizations. These C-Level executives are now dedicating their talents and connections to helping their peers successfully navigate through these transformative times.

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