Self-Insured Plans and Large Group Market Reports

**Summary:** Requires the Secretary of Labor to prepare and submit to the appropriate Congressional committees an annual report (beginning no later than one year after the date of enactment) on self-insured plans. Also requires the Secretary of Health and Human Services (HHS) to conduct a study of the fully-insured and self-insured group health plan markets to compare characteristics and determine the extent to which new insurance market reforms are likely to cause adverse selection in the large group market or to encourage small and midsize employers to self-insure. Report from the Secretary of HHS to be completed within one year after the date of enactment and submitted to the appropriate Congressional committees.

**Next steps:**
- March 23, 2011 – First annual report due from the Secretary of Labor and report due from the Secretary of Health and Human Services
- March 23, 2012 – Second annual report due from the Secretary of Labor

**Additional information:**
- Department of Labor Form 5500 information -- [http://www.dol.gov/ebsa/5500main.html](http://www.dol.gov/ebsa/5500main.html)

**Long summary:**

**Sec. 1253. Annual report on self-insured plans (as modified by sec. 10103).**
Beginning no later than one year after enactment, the Secretary of Labor must prepare and submit to the appropriate committees of Congress an aggregate annual report, using Form 5500 data, that includes general information on self-insured group health plans as well as data from the financial filings of self-insured employers.

**Sec. 1254. Study of large group market (as modified by sec. 10103).**
Within one year of date of enactment, the Secretary of Health and Human Services (HHS) must conduct a study of the fully-insured and self-insured group health plan markets to compare characteristics and determine the extent to which new insurance market reforms are likely to cause adverse selection in the large group market or to encourage small and midsize employers to self-insure.
insure. In preparing such report, the Secretary of HHS, in coordination with the Secretary of Labor to collect and analyze the extent to which self-insured plans can offer less costly coverage and why; claim denial rates, plan benefit fluctuations and impact of the limited recourse options on consumers; and any potential conflict of interest and its impact on the administration of the plan. Secretary must submit the report to the appropriate committees of Congress.

**Legislative text:**

**SEC. 1253. ANNUAL REPORT ON SELF-INSURED PLANS.**
Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary of Labor shall prepare an aggregate annual report, using data collected from the Annual Return/Report of Employee Benefit Plan (Department of Labor Form 5500), that shall include general information on self-insured group health plans (including plan type, number of participants, benefits offered, funding arrangements, and benefit arrangements) as well as data from the financial filings of self-insured employers (including information on assets, liabilities, contributions, investments, and expenses). The Secretary shall submit such reports to the appropriate committees of Congress.

**SEC. 1254. STUDY OF LARGE GROUP MARKET.**
(a) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study of the fully-insured and self-insured group health plan markets to—
(1) compare the characteristics of employers (including industry, size, and other characteristics as determined appropriate by the Secretary), health plan benefits, financial solvency, capital reserve levels, and the risks of becoming insolvent; and
(2) determine the extent to which new insurance market reforms are likely to cause adverse selection in the large group market or to encourage small and midsize employers to self-insure.

(b) COLLECTION OF INFORMATION.—In conducting the study under subsection (a), the Secretary, in coordination with the Secretary of Labor, shall collect information and analyze—
(1) the extent to which self-insured group health plans can offer less costly coverage and, if so, whether lower costs are due to more efficient plan administration and lower overhead or to the denial of claims and the offering very limited benefit packages;
(2) claim denial rates, plan benefit fluctuations (to evaluate the extent that plans scale back health benefits during economic downturns), and the impact of the limited recourse options on consumers; and
(3) any potential conflict of interest as it relates to the health care needs of self-insured enrollees and self-insured employer’s financial contribution or profit margin, and the impact of such conflict on administration of the health plan.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the appropriate committees of Congress a report concerning the results of the study conducted under subsection (a).