

Payer Type Glossary

- **Fully insured health plan:** A commercial health plan in which an individual or employer purchases insurance from a health carrier, and the health carrier assumes financial risk of paying claims. The Washington state Office of the Insurance Commissioner (OIC) regulates fully insured health plans offered in Washington state. In Washington state, there are three fully insured health plan markets that OIC regulates: the individual insurance market (which includes Qualified Health Plans sold on the Washington Health Benefit Exchange); the small group (small employer) market; and the large group fully insured market. Fully insured health plans are “health plans” as defined in RCW 48.43.005(33). Medicare Advantage, Medicare Part D, Medicare supplement, Medicaid managed care, and self-funded group health plans are NOT considered fully insured health plans, even when offered by a health carrier.
- **Self-funded/self-insured group health plans:** In self-funded group health plans, employers assume the financial risk of paying medical claims, often in conjunction with stop loss or reinsurance coverage. These employers typically contract with a third-party administrator (TPA) to provide administrative services, such as developing provider networks, processing claims and managing certain health benefits. Health carriers often also act as TPAs. Washington public entities that administer their own self-funded group health plans, such as the Uniform Medical Plan, report in this category. Medicare Advantage, Medicare Part D, Medicaid managed care, and fully insured health plans are NOT self-funded group health plans. Below are types of self-funded/self-insured group health plans:
 - **ERISA/Employer sponsored – private employer:** self-insured/self-funded group health plans offered by private employers to their employees and dependents. These plans are most often organized under the federal Employee Retirement Income Security Act (ERISA).
 - **Employer sponsored – public employer:** self-insured/self-funded group health plans offered by public employers to their employees and dependents, such as the Uniform Medical Plan or local government health plans.
 - **Taft-Hartley Trust:** A type of self-insured/self-funded health benefit plan formed through agreements between multiple collective bargaining units and employers (such as unions).
- **Multiple plan types:** Used if the health carrier offers multiple plan types, as described above. For example, a health carrier could offer fully insured health plans and also serve as a TPA for a private or public self-funded/self-insured employer sponsored health plan. In this scenario, please indicate ‘Multiple plan types’ and provide a breakout of all covered lives by each plan type listed above.

- **Health carrier:** A company that sells health insurance (also called a health insurer). In Washington state, OIC licenses three kinds of entities as health carriers: health care service contractors (Chap. 48.44 RCW), health maintenance organizations (Chap. 48.46 RCW), and disability insurers (Chaps. 48.20 and 48.21 RCW). "Health carrier" is defined in RCW 48.43.005(32) to include these three entities. Health carriers often offer different types of health plans in different markets: for example, the same health carrier may offer fully insured health plans, Medicare Advantage plans, Medicaid managed care plans, and act as a TPA.
- **Third-party administrator:** A company hired by an employer to administer a self-funded group health plan, which may include processing and paying claims, developing provider networks, managing certain health benefits and applying utilization management policies.
- **Health plan:** A generic term that refers to a specific health benefits package offered by an insurer.