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AACG Research about Self-Insured Health Plans Presented to Congress

Studies of self-insured and fully-insured employers inform the debate on affordable health benefits

Boston, MA – May 24, 2011 – [Advanced Analytical Consulting Group's \("AACG"\)](#) research about workers' health insurance was presented to Congress and is now available on the Department of Labor website or at www.AACG.com/healthcare. The research quantified how companies fund their corporate health benefits, which could have important implications for the risk of corporate defaults on health benefit claims. It also investigated whether companies at greater risk of default were more likely to self-insure health benefits, placing higher healthcare risks on employees. AACG performed two studies about self-insured health plans in conjunction with Deloitte FAS LLP to assist the Secretary of Labor and the Secretary of Health and Human Services with reports to Congress that were mandated by the Affordable Care Act of 2010.

Most Americans with health insurance receive coverage through an employer, who may purchase insurance from an external insurance company or elect to self-insure. Based on AACG's analysis of health plans' annual reports for 2008, 39 percent of plans with 100 or more participants were self-insured or funded through a mixture of external insurance and self-insurance. Large plans were more likely to self-insure than small plans, so that self-insured or mixed-funded plans covered 72 percent of plan participants. "Comparatively little was known about self-insured health plans," stated [Dr. Daniel S. Levy](#), AACG founder. "These studies help Congress and others understand how they differ from fully-insured plans and how they can address the health insurance challenges that our nation is facing."

Among other results, the studies found that firms in relatively poor financial health were less likely to self-insure than better-performing companies. [Dr. Stan Panis](#), AACG Principal and co-author of the research commented: "There was no evidence of companies at risk of insolvency gambling with health expenses. If anything, we found the opposite."

About Advanced Analytical Consulting Group, Inc.

Founded by former Senior Managers and national leadership of the Economics and Statistical Consulting Group of Deloitte's Financial Advisory Services in 2009, AACG provides economic, statistical, and computing consulting for business decisions and litigation. AACG assists business clients with strategic and operational consulting based on in-depth quantitative analysis of corporate data and the client's position in the market. AACG provides expert testimony, support for academic experts, and assistance in identifying the right expert from academic and business settings. From offices in Boston and San Francisco, AACG currently serves clients in Canada, Mexico, the UAE, the U.K. and the U.S. For more information, visit www.AACG.com.