

# Medical Stop-Loss Premiums Up 8% for 2021 Policy Years



Segal has maintained its National Medical Stop-Loss Database since the ACA eliminated annual and lifetime dollar limits on essential health benefits. This infographic presents key information from the 2021 dataset.



**2,200** covered participants per group on average

Range of policy year effective dates

**February 2020 to January 2021**



**94%**

of plans have **purchased broad coverage**

that covers medical and prescription drug claims



Broad coverage is prudent protection given that total per-patient **Rx claims paid exceed \$1 million** annually for some gene therapies, such as Zolgensma®, Carbaglu® and Ravicti®, according to SHAPE, Segal's medical claims data warehouse.

**High-cost claimants** with \$100,000+ paid claims per year account for less than 1% percent of all claimants but **25% of total medical plan claim expenses** in a typical year.

Specific **threshold levels** vary widely.

**High: \$2 Million**

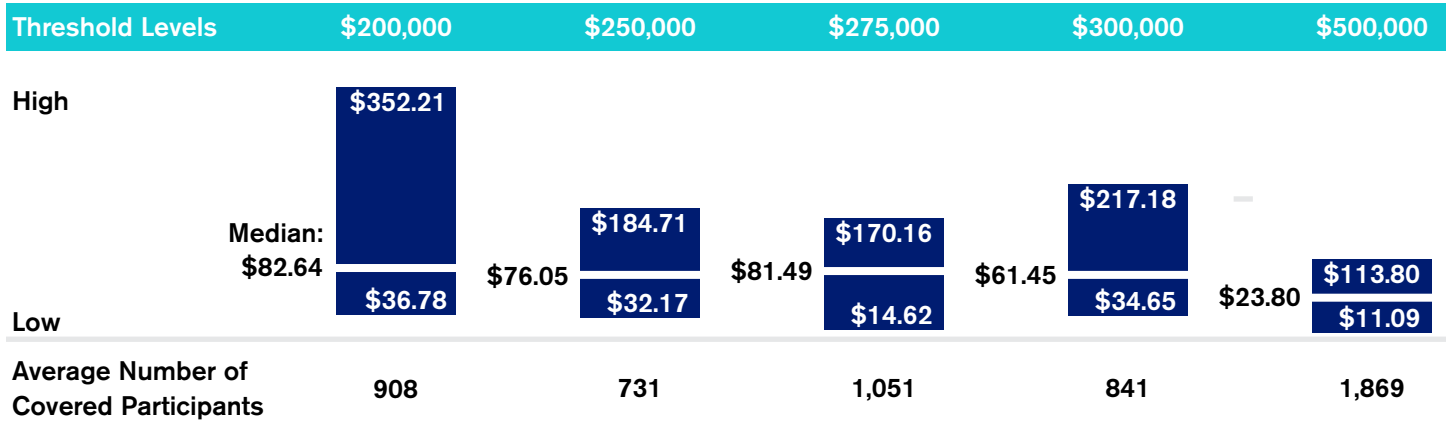
**Median: \$300,000**

**Low: \$60,000**

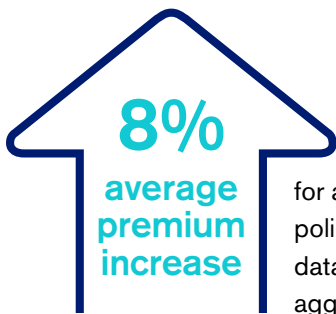


**Most common:**  
**\$200,000**  
10% of all plans have it

For all specific threshold levels, **there is a wide range of premiums** per covered participant.



Although average premiums typically are higher at lower specific threshold levels, a plan's premium and increases may vary based on its demographics and claims history as well as regional differences and market conditions.



for all stop-loss insurance policies in Segal's 2021 dataset as a result of aggressive negotiations.



Among plans that bid or renewed their stop-loss coverage, **86% stayed with the incumbent insurer.**

Some plans have shared-savings policies that pay experience-rated refunds when claims reimbursed relative to premiums paid are below a set level, such as 70 percent or less. **Four plans earned refunds** in 2020.

As the number and value of high-amount claims continues to grow, stop-loss coverage provides important asset protection and cost predictability, particularly for self-funded plans, smaller groups and those with modest cash reserves.

The rapid rate of change in newly approved medical technology and procedures requires a close inspection of the coverage language offered by each stop-loss insurer. Segal experts carefully review stop-loss contract provisions to make sure policy language aligns with a plan's coverage needs so sponsors can secure coverage that meets their expectations.

To discuss the adequacy and competitiveness of your plan's stop-loss coverage compared to plans in Segal's 2021 dataset, contact your Segal consultant or Michael S. Tesoriero at 212.251.5280 or [mtesoriero@segalco.com](mailto:mtesoriero@segalco.com).

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