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# Stop Loss Carriers Need to Consent to any Material Changes to Self-Insured Employers' Healthcare Plans

By Robert Tomilson / Apr 03, 2020

In response to COVID-19, Massachusetts, Illinois, Pennsylvania and a growing list of states have directed health insurance carriers to, among other things, relax cost-sharing and enhance telemedicine services. These directives are said to encourage early detection and treatment of COVID-19 to slow its transmission. The large publicly traded health insurers have readily agreed to these actions and, in some instances, have taken on additional costs. Presumably, the costs expended in early detection and mitigation of the virus' spread will more than be repaid by keeping the broader public free of the infection and therefore treatment. Self-insured health plans have, thus far, been exempted from many of the state regulations regarding, among other things, waiver of deductibles and co-pays, coverage for COVID-19 diagnosis and treatment, postponement of premium payments, and non-cancellation and non-renewal of healthcare policies. Nevertheless, many self-funded employers with a concern for the health of their employees may be considering making coronavirus (COVID-19)-related changes and (knowingly or unknowingly) adopting many of these fully-insured mandated changes without contacting their stop loss carriers, whose policies typically require that the insurer consent to any design changes to the self-insured's plan. Stop loss insurers may want to stay in close contact with their client-employers as this crisis unfolds to discuss (perhaps negotiate) any changes that self-funded employers may be considering. Stop loss carriers should understand the self-funded employers' interest in any changes to the Plan before the non-reimbursable charges are submitted as claims.

As a stop loss insurer, if you reinsure a portion of your liability, you also have notice and consent obligations. Any agreed changes to a self-insured's plan likely require the consent from your reinsurer if you expect to be reimbursed. Alterations to coverage can easily be accomplished by amendments to treaties, assuming the parties agree.