



Illinois Insurance Facts

Illinois Department of Insurance

Self-Insured Health Plans

Revised
January 2010

Note: This information was developed to provide consumers with general information and guidance about insurance coverages and laws. It is not intended to provide a formal, definitive description or interpretation of Department policy. For specific Department policy on any issue, regulated entities (insurance industry) and interested parties should contact the Department.

It is estimated that more than half of Illinois residents who have group health coverage through an employer or union are receiving benefits through a single employer self-insured health plan or a self-insured health and welfare benefit plan (union). Many large employers, unions, government agencies including local municipalities, and school districts are self-insured.

What Is a Self-Insured Health Plan?

A self-insured health plan is a health benefit plan where the plan sponsor (employer or union) is at risk for the claims incurred by the members of the plan. This differs from a fully insured health plan where the insurance company assumes the risk for the claims incurred in exchange for a premium. Self-insured health plans utilize third party administrators (TPAs) to administer claims for the plan. Many times, the TPA is an insurance company.

Who Regulates Self-Insured Health Plans?

Most self-insured health plans are regulated by the United States Department of Labor, Employee Benefits Security Administration (DOL-EBSA) under the federal Employment Retirement Income Security Act (ERISA). However, DOL-EBSA does not regulate self-insured plans that are sponsored through school districts, municipalities, and churches. **State insurance laws do not apply to self-insured health plans.**

What Benefits Must Be Provided By a Self-Insured Health Plan?

Employers and unions have much more flexibility when choosing benefits to offer under a self-insured health plan. Federal law does mandate some benefits for self-insured health plans. Members should refer to their member handbook or contact DOL-EBSA for information on those benefits. **State mandates do not apply to self-insured health plans.**

How Do I Appeal a Decision By My Self-Insured Health Plan?

Self-insured health plans governed by DOL-EBSA must follow ERISA claim procedures. Members should refer to their member handbook for proper appeal procedures. The DOL-EBSA can answer questions regarding self-insured plans and the appeal procedures.

If you live in Boone, Bureau, Carroll, Cook, DeKalb, DuPage, Ford, Grundy, Henry, Iroquois, Jo-Daviess, Kane, Kankakee, Kendall, Lake, LaSalle, Lee, Livingston, Marshall, McHenry, Ogle, Putnam, Stark, Stephenson, Whiteside, Will or Winnebago County, you may contact the DOL-EBSA office at:

U.S. Department of Labor
Employee Benefits Security Administration
Chicago Regional Office
200 W. Adams Street, Suite 1600
Chicago, IL 60606
(866) 444-3272
www.dol.gov/ebsa or www.askebsa.dol.gov

Residents of all other counties in Illinois should contact:

U.S. Department of Labor
Employee Benefits Security Administration
Kansas City Regional Office
1100 Main Street, Suite 1200
Kansas City, MO 64105
(866) 444-3272
www.dol.gov/ebsa or www.askebsa.dol.gov

Members of self-insured plans that are not subject to DOL-EBSA jurisdiction should refer to their member handbook for appeal procedures or contact an attorney for assistance.

While the Illinois Department of Insurance does not have jurisdiction over self-insured health plans, many of those plans do respond to Department inquiries. However, some self-funded health plans will not respond to the Department due to HIPAA (Health Insurance Portability and Accountability Act) privacy concerns. You may file a complaint with the Department at http://insurance.illinois.gov/Complaints/file_complaint.asp and we will contact the plan for information regarding your problem. **It is important to understand that the Department cannot take regulatory action or require a self-insured health plan to take any action on your behalf.** The Department's role is simply to facilitate the sharing of information between the plan member and the plan.

For More Information

Call our Consumer Services Section at (312) 814-2427 or
our Office of Consumer Health Insurance toll free at (877) 527-9431
or visit us on our website at <http://www.insurance.illinois.gov/>