

What is self insurance?

Westchester County has POMCO as the TPA (third party administrator) for the County Health Insurance plan that most Westchester employees belong to.

POMCO is paid a yearly administration fee for accepting bills from doctors, hospitals, ambulance firms, and other medical specialists, processing those bills according to the established and published rules, and paying the doctor and hospital when an employee uses the doctor or hospital.

POMCO is not a health insurance firm such as Wellpoint, AETNA, UnitedHealth, Kaiser, or Humana and as such NO premium cost is paid by the County for each employee that is covered by POMCO.

If Employee A under POMCO **never visits** any doctor and never is a patient of a hospital or a medical specialist, the County pays NOTHING for that employee in the year. The same applies for Dental and Vision care if Employee A never goes to the dentist and does not need glasses. Nothing is paid for Employee A.

If Employee B is in poor health, is not concerned about a healthy lifestyle, has poor eating, drinking, smoking, and exercise habits, and is **frequently at the doctor or is hospitalized**, and requires frequent services of specialists then that employee will have greater costs under the POMCO plan. The County in this case would be paying more for Employee B.

Each year the County budgets funds to cover the anticipated expenses of health insurance cost under the POMCO plan. The funds are paid out ONLY when employees use a doctor, hospitals, ambulance firms, and other medical specialists.

That is the “Self Insurance” plan for Westchester County.

Conventional health insurance plans such as HIP, Oxford, and AETNA have monthly premiums for covered employees. Those premiums are always paid by the County regardless if the employee is never visiting doctors or hospitals (as per Employee A) or is using doctors, hospitals, and specialists very often (as per Employee B)

<http://health.usnews.com/health-plans/national-insurance-companies> Top 25 Health Insurance Firms

<http://www.businessdictionary.com/definition/third-party-administrator-TPA.html> TPA definition