



The Protect Plans

Safe and Simple
Fixed-Cost Self-Funded Medical Coverage Plus
Refund Assisters

Overview

July 19, 2017

Disclaimer

But first a word from our lawyers:

This presentation summarizes information concerning the benefits, networks, underwriting and other elements of the Protect Plans. It is not a controlling document and does not supersede the most current versions of The Protect Plan Underwriting Guide, Summary of Benefits and Coverage, Summary Plan Description and the stop-loss policies. All information in this presentation is subject to change without notice.

**In other words, we've tried to be accurate.
If it's wrong we apologize, but it's not binding.**

What Employers Want

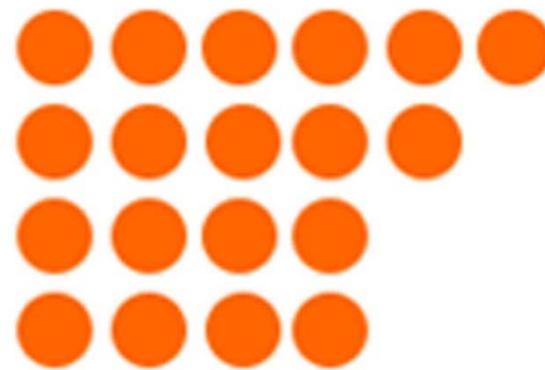
Something different ... and better

An advantage

Something like fixed-cost, self-funded plans

Self-Funded Made Simple

Self-Funded can be complicated ...



... but it doesn't have to be

Self-Funded Made Simple

Claims lower than expected = refund
Claims higher than expected = stop-loss
Heads clients win. Tails they don't lose



It's that simple

Agenda

1. Self-Funded Basics and Key Terms
2. The Protect Plans Overview
3. Resources: www.ProtectPlans.Info
4. The Protect Plans Team
5. Questions and Answers



SELF-FUNDING BASICS AND KEY TERMS

Self-Funded Basics: Part I

Traditional Insurance:

- **State** regulation
- **Insurer** pays claims – keeps surplus

Self-Funded Programs:

- **Federal** regulation
- **Employer** pays claims –keeps surplus



8 Key Terms

Claims Fund ... 1

Claims Surplus ... 2

Stop-Loss or Excess-Loss Coverage ... 3

- Specific Stop-Loss ... 4
- Aggregate Stop-Loss ... 5

Attachment Point ... 6

Contract Period ... 7

Run-Out ... 8



Key Terms

Claims Fund: money sets aside by employer to pay claims

Claims Surplus: money remaining in claims fund after the **contract period**



Key Terms

Stop-Loss or Excess Loss Coverage: protects plan sponsor from excessive claims

- **Specific:** caps claims on any one individual
- **Aggregate:** caps overall claims

Attachment Point: the claim amount at which stop-loss coverage kicks-in



Key Terms

Contract Period: time period during which eligible claims must be incurred and paid for to be covered by excess loss carrier

- Expressed by two number: aa/bb
 - First defines plan year (usually 12)
 - Second defines claim payment deadline
12/12 12/15 12/18 12/24
- **Run-Out:** the difference between numbers
 - 12/18 has a six month **run-out**
 - 12/24 has a 12 month **run-out**



Managing Variability

Traditional Self-Funding: Employer replenishes claim fund as claims are approved

Fixed-Cost Self-Funding: Employer pays fixed monthly payment regardless of claims paid

Fully-Insured Plans: Employer pays fixed monthly premium regardless of claims paid



Self-funding Basics: Part II

Traditional Insurance:

- State-by-state plan design
- Subject to all ACA fees and premium tax

Self-Funded Program:

- Can offer one plan nationwide
- Exempt from some ACA fees and pays premium tax only on excess-loss coverage



Fixed-Cost Self-Funded

Can look like traditional health plans

	Traditional Fully Insured	Fixed-Cost Self-Funded
Comprehensive Medical Coverage	✓	✓
Fixed Monthly Employer Costs	✓	✓
So far so simple		

The Fixed-Cost Self-Funded Advantage

What makes them different makes them better

	Traditional Fully Insured	Fixed-Cost Self-Funded
Protects Employers When Claims Higher Than Expected	✓	✓
Who Gets Surplus When Claims Less Than Expected	Insurer	Employer

Heads you win. Tails you don't lose.



The Protect Plans

Safe and Simple
Fixed-Cost Self-Funded Medical Coverage
with Refund Assisters

The Protect Plans

Next generation fixed-cost self-funded
medical plans that improve
the health of **employees**
and the bottom line of **employers**

The Protect Plans Position

Self-funding with training wheels

- Safe and comfortable way for clients to start self-funding medical coverage

Mimics traditional insurance while delivering benefits of self-funding

Safe and Simple

Safe	Administrative Services: Meritain Health
	Stop-Loss Coverage: AM Best Rated "A" or higher
Simple	8 PPO Plan Designs: 5 Co-Pay & 3 HSA-compatible
	1 Medical Network: Aetna
	1 Pharmacy Network: OptumRx
	1 Contract Period: 12/18

Fixed-Cost, Self-Funded

Fixed-Cost	<ul style="list-style-type: none">• Level premium payments• Composite rates• Claim costs advanced if exceed employer's payments to-date
Self-Funded	<ul style="list-style-type: none">• Employer finances claims• Stop-loss coverage caps employer risk (both specific and aggregate coverage)

The Protect Plans Difference

	Traditional Level Funded Plans	Protect Plans
Fixed Monthly Costs	✓	✓
Claim Surplus Refund	Partial-to-100%	100%
Offer Refund Assisters SM	?	✓

Why Refund Assisters Matter

Level-funded plans **offer** the chance to earn claim surplus refunds

The Protect Plans helps **deliver** them

Refund Assisters: Wellness

Wellness rewards for employees and spouses

- \$100 reward for annual preventive exam
- \$100 reward per year (\$25 per quarter) for complying with chronic condition protocols

Wellness campaign assistance

Smoking cessation programs



Provided through Healthy Merits, Meritain Health for Life, and Disease Management administered by Meritain Health

Chronic Condition Reward Program

\$25 each quarter member complies with treatment and prescription protocols for:

Asthma

Hyperlipidemia (high cholesterol)

COPD

Congestive Heart Failure

Diabetes

Coronary Artery Disease

Hypertension

Member must be in compliance for all three months in a quarter and may qualify for multiple rewards

Refund Assisters: Telemedicine

A low-cost, quality alternative to an in-office doctor visit that's convenient, private, and fast using board certified, U.S.-based physicians.



Refund Assisters: Expense Review

Actuaries and former insurance executives review overall claim payments including:

- Payment timeliness review
- Subrogation
- Pharmacy data review
- Medicare-primary claims
- Claim audit monitoring

INSURGENCY
benefits



PLAN DESIGNS **AND** UNDERWRITING

Protect HSA-Compatible Plans

Benefits (In-Network)	Protect HSA 3000	Protect HSA 4000	Protect HSA 5000
Lifetime Max	Unlimited		
Deductible <i>(single/family)</i>	\$3,000 / \$6,000	\$4,000 / \$8,000	\$5,000 / \$10,000
Annual Max (single/family)	\$5,000 / \$10,000	\$5,500 / \$11,000	\$6,000 / \$12,000
Office Visits and Professional	20% / Telemedicine \$10		
Hospital	20%		
Lab & X-rays	20%		
Prescription	In-Network Only Apply to medical deductible and out-of-pocket maximums		
Generic	\$10		
Preferred Brand	\$35		
Non-Formulary	50%		
Specialty	35% up to \$300 co-pay per prescription		

Protect Co-Pay Plans

Benefits (In-Network)	Protect Co-Pay 500	Protect Co-Pay 1000	Protect Co-Pay 2000	Protect Co-Pay 3000	Protect Co-Pay 4000
Lifetime Max	Unlimited				
Deductible (single/family)	\$500/\$1,000	\$1,000/\$2,000	\$2,000/\$4,000	\$3,000/\$5,000	\$4,000/\$8,000
Annual Max (single/family)	\$1,500/\$3,000	\$3,000 /\$5,000	\$4,000/\$6,000	\$5,000/\$7,000	\$6,000 / \$12,000
Office Visits	Primary Care: \$25 / Specialty Care: \$50 / Telemedicine \$10				
Hospital and Professional	20%				
Prescription	In-Network Only Apply to medical deductible and out-of-pocket maximums				
Generic	\$10 (deductible waived)				
Preferred Brand	\$35				
Non- Formulary	50%				
Specialty	35% up to \$300 co-pay per prescription				

A Word About Prescription Claims

Medical claim costs capped by both specific and aggregate stop-loss limits

Prescription claim costs capped by only aggregate stop-loss limit

- Prescription claims may be brought under specific stop-loss limits with a 2%-to-5% increase to specific premiums
 - Must request at time of quote

Underwriting: Availability

Geography:

- All states (except New York)
- Some industries subject to additional review

Group Size:

- Minimum: state law and carrier policy
- Maximum: 250+ employees

Aetna Takeover:

- Current Aetna clients, including of Aetna subsidiaries, are not eligible to quote
 - Extenuating circumstances must be approved in advance by Aetna or the subsidiary

Underwriting: Special Consideration

Retirees:

- Groups of 20+ employees: retirees may be considered an employee class
 - Pre-approval required by underwriting
 - No more than 10% of those enrolling may be retirees

Underwriting: Participation

Participation Requirements:

- Groups of up to 50 eligible employees: **75%**
- Groups of 51+ eligible employees: **60%**

Eligible Employees:

- Eligible employees are full-time employees without qualifying coverage elsewhere
(generally, other major medical coverage)

HMO Combination:

HMOs may be offered with The Protect Plans

- Participation requirements apply
 - Employees enrolling in HMO are not considered eligible employees

Underwriting: Employer Options

Employee Choice:

Employers may offer any combination of
The Protect Plans

Claims History Required

Enrolling Employees	Quoting	Enrolling
Up to 150	Not Required <i>But enables more accurate quote</i>	Not Required <i>But individual health questions waived when provided</i>
151 or more	Required <i>Explanation needed if unavailable</i>	Required <i>Explanation needed if unavailable</i>

Preferred claims information: prior two years of claims, coverage, enrollment and shock claims

Telephone enrollment and underwriting is available at no cost

New Group Implementation

Event	Anticipated and Approximate Timeline
Welcome email to client to set-up Welcome Call	5 business days from receipt of complete enrollment package
Temporary medical ID sent (no Rx information)	2 business days from Welcome Call
New members in Meritain Health System	5 business days from Welcome Email
Permanent ID cards mailed to employer (includes Rx info)	10 business days from Welcome Email (+ 2 days for delivery)
Prescription benefits in system	15 business days from time drug card set-up documents submitted to OptumRx
Healthcare Bluebook	45-to-60 days



THE TEAM

Reliable Administration

Meritain Health, an Aetna company

- One of the nation's largest third party administrators
- Handles operational aspects including
 - Enrollment processing
 - Billing
 - Customer services
 - Claims administration
 - Compensation

Broad, Strong Networks

Aetna Choice POS* II (Open Access)

National coverage

- 5,500+ hospitals
- 630,000+ physicians and specialists

OptumRx pharmacy benefit management using the **Catamaran** network

Community pharmacies plus most chains including Costco, CVS, Duane Reed, Medicine Shoppe, Rite Aid, Target, Walgreen's, Wal-Mart and many supermarkets

* Protect Plans are PPOs

Dependable Stop-Loss Coverage

Stable and proven excess-loss carriers

- Carrier varies by group size and/or state
 - All are A.M. Best “A” rated carriers or better unless otherwise noted
 - All with deep experience providing excess-loss coverage

Experienced, Fair Underwriting

The **Strategic Underwriting Solutions LLC*** team assures fair pricing and their relationship with leading stop-loss carriers results in a seamless experience for employers

Responsible for:

- Quoting
- Underwriting
- Policy issuance
- Stop-loss claim services

* In California SUS does business as **Strategic & Innovative Insurance Solutions, LLC**

Insurgency Benefits

Insurgency Benefits is responsible for plan design, program oversight and coordination, sales support, marketing, training, and expense review



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Safe and Simple, Fixed-Cost Self-Funded Medical Coverage with Refund Assisters

Next generation fixed-cost self-funded medical plans delivering features that improve the health of **employees** and the bottom line of **employers**

Resources

www.ProtectPlans.Info

Info@ProtectPlans.Info

Quote@ProtectPlans.Info

Enroll@ProtectPlans.Info



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APPENDIX:

ACA REPORT DATA, SPECIAL CONSIDERATION INDUSTRIES AND WORK FLOW

A Word About ACA Fees

ACA Fees are not included in monthly payments

- Patient-Centered Outcomes Research Institute (PCORI) Fees
- Transitional Reinsurance Program (TRP) Fee

Meritain facilitates fee calculation and payment

- Employer is responsible for funding these fees outside of the fixed monthly payments

May be required to submit more information to be considered or may be considered ineligible

- Asbestos Products
- Commercial Sports
- Explosives
- Legal Services
- Long Haul Trucking
- Medical Services
- Metal/Coal Mining
- Oil and Gas Exploration/Extraction
- Religious Organizations
- Tobacco Stores and Stands/Tobacco Products

Workflow: Quoting

- Company name, address and industry
- Effective date desired
- Employee census
 - Birthdate, gender, dependents, zip code
- For preliminary rate include:
 - Claims and census history for past 24 months if available
 - Shock loss history if available

Please see Quoting Checklist and Underwriting Guide for complete details

Workflow: Enrollment

- Employer and Employee enrollment forms
- Signed rating sheet(s)
- Current carrier billing
- First month's premium and claims funding
- PHI Release
- Wage & Tax Report
- COBRA information if appropriate
- Claims history if available
 - Covering 60-days prior to effective date
- Final employer disclosure

Please see Submission Checklist and Underwriting Guide for complete details