

Shaping a Partnership in Voluntary Benefits

ACA Solutions

Annual Survey of Americans' Views on Health Care and the ACA Finds Nearly Half of Remaining Uninsured are Unaware of the Individual Mandate or of the Exchanges

- While the percentage of Americans without health insurance has **fallen from 22 to 15 percent over the past 11 months**, a new Harris Poll survey found that nearly half (46 percent) of those who remain uninsured have **still not heard of the individual mandate**, and 43 percent have not heard of the Exchanges where they may be eligible to purchase health insurance.
- The survey also found that among those who remain uninsured, 11 percent stated they **did not obtain insurance because it is too expensive**, and 27 percent said paying the tax penalty and health expenses costs less than paying for health insurance.
- With the individual mandate taking effect in 2014 and the employer mandate (for companies with over 100 employees) looming in 2015, employers are placing more **priority on offering health insurance to all employees** and less priority on minimizing health care costs.
- In 2014, 12 percent of employers indicated that **offering health insurance to all employees was the top benefits-related priority** compared to 6 percent in 2013.

SOURCE Transamerica Center for Health Studies



Shaping a Partnership in Voluntary Benefits

Overview - Minimum Essential Coverage (MEC) definition

- Minimum Essential Coverage (MEC)
- 63 listed benefits must be provided.
- When an employer **offers** these, the **\$2,000 per employee fine** is avoided.
- When an employee is **covered**, the **personal tax penalty is avoided**.



Shaping a Partnership in Voluntary Benefits

Overview - Minimum Value Plan (MVP) definition

- Minimum Value Plan (MVP)
- Defined in the law (60% actuarial benefit).
- Also called “bronze plan” in healthcare exchange.
- Generally a very high deductible, such as \$5,000.
- When an employer offers, at less than 9.5% of “employee household income”, **employer avoids \$3,000 penalty** for people who get public exchange subsidies.
- When “affordable coverage” is offered (9.5% or less of household income), employee is not eligible for subsidy.
- Low income employees won’t want to pay \$125 per month or more for a \$5,000 deductible policy.



ACA Solution—Avoiding the mandate penalties

Limited Benefit Policy

- A. Fully insured. Separate from MEC and MVP, above.
Not “integrated”.**

- B. Pays first dollar benefits for Care incurred. No
“annual” or “lifetime” maximums. (PPO network)**

- C. Appropriate Coverage**

**Combined with MEC only, or;
Filling large GAP between MEC and MVP**



MEC Solution Components

What is a MEC plan?

- **Covers 100% of Preventive and Wellness care**
- Available to employer groups > 51 eligible lives
- Reinsurance mitigates employer's risk
- Can be funded with any combination of employer and employee funds

Optional Plan Additions?

- Limited Benefit Indemnity plan
- Additional Supplemental Health products

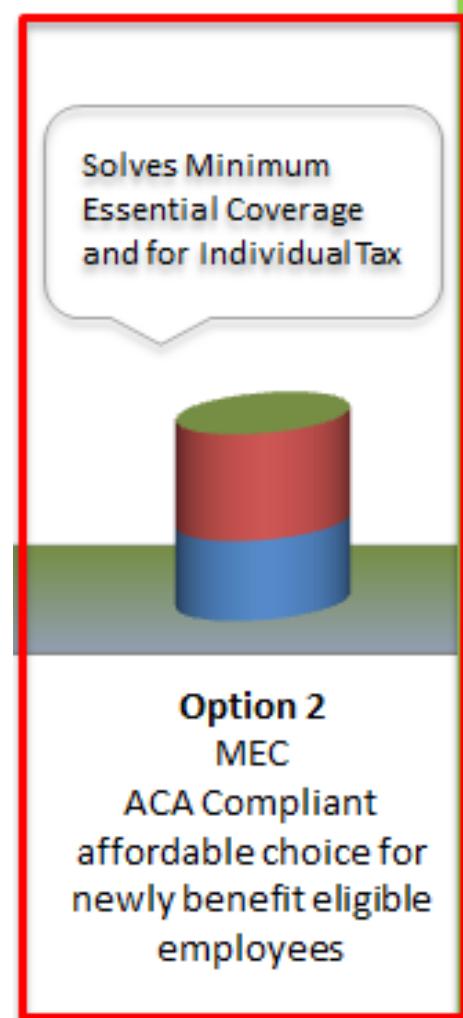
Anticipated program outcomes

Savings compared to traditional major medical plans

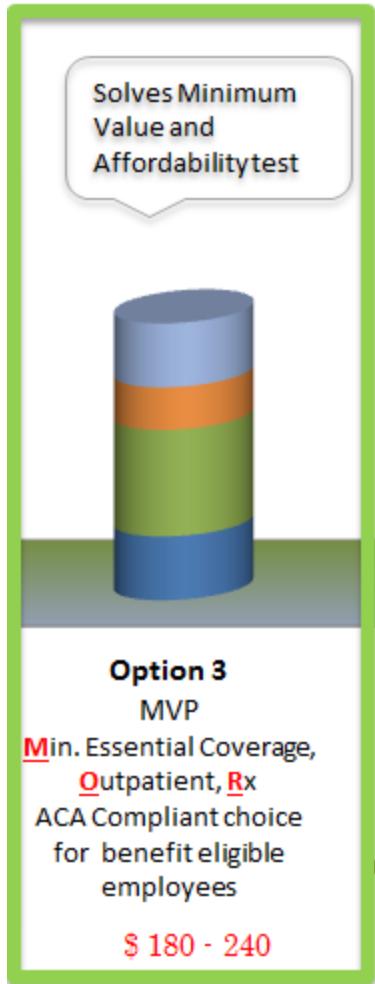
- Lower cost point for entry into offering insurance options
- Provides built in employer expense predictability

Benefits to employees

- First dollar coverage
- Easy access to PPO network providers and discounts
- Full flexibility in a changing environment



MVP Solution Components



What is a M.O.R Plan?

- Covers 100% of Preventive and Wellness care (MEC)
- Provides extensive benefits for outpatient care
- Includes a substantial co-pay prescription benefit
- Meets a “minimum value” of 60% actuarial value
- If partially self-funded, is not required to meet all ACA and State mandated requirements
- Solves for all penalties (if “affordable”)
- Affordable option that may require minimal contribution

Optional Plan Additions

- Additional Supplemental Health products to cover in-patient claims

Anticipated program outcomes

Savings compared to traditional major medical plans

- Lower cost point for entry into offering insurance options
- Provides built in employer expense predictability

Benefits to employees

- Compliant and affordable

Source: InnoBenefits



M.O.R.

What is covered

- Preventive /Wellness
- Immunizations
- Doctor's Office Visits
- Emergency Room Visits
- Prescription Drugs

What is not

- Hospital Inpatient Services
- Ambulatory Surgery
- Maternity Services not covered by MEC
- Specialty Drugs

Source: InnoBenefits



MVP Plan Design

Mec – Outpatient - Rx	In Network
Deductible	\$0 No Deductible
Coinsurance	100%
Maximum Out-of-pocket (Ind./ Family)	\$1,850 / \$12,700
Primary Care (Injury, Illness, Well Baby)	\$15 Copay
Specialist Visit	\$25 Copay
Lab Outpatient and Professional Services	\$50 Copay
X-Rays and Diagnostic Imaging	\$50 Copay
Imaging (CT, PET Scans, MRIs)	\$400 Copay
Emergency Room Services	\$400 Copay
Preventive Care/Screening/Immunization	100% Covered
Chronic Disease Management Benefit	100% Covered
Prescription Drugs (Generic/ Preferred/ Non-Preferred)	\$15/\$25/\$75 Copay

Source: InnoBenefits



Shaping a Partnership in Voluntary Benefits

Considerations

When implementing MEC/MVP, it is important to consider products that can enhance the base benefit.

- Limited Medical
- Dental
- Vision
- Life
- Critical Illness
- Disability (Short & Long Term)
- Accident



How We Measure Success

Our success is based on a pre-determined list of agreed upon measures that may include:

- Appropriate due diligence and recommendations: product, carrier, distribution
- Adherence to timely start and stop date for open enrollment
- Percentage of employees reporting a positive enrollment experience
- Mapping a specific percentage of employees to most appropriate medical option
- Employees voicing a better overall understanding and appreciation of benefits
- Accurate/timely delivery of data to client and selected carrier partners
- Professionalism of our benefit counselors and implementation team



Do you have any questions?

We'd be happy to help!

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