

Simple. Seamless. **SafeGuard AHCN.**



**SafeGuard** **AHCN**

Self-Funding for the Small to Mid-Size Employer

Powered by



# SafeGuard<sup>®</sup> AHCN

An alternative approach to affordable health coverage for small to mid-size employers.

## Simple.

SafeGuard AHCN offers the benefits of self-funding without the complications. The employer makes only a few key decisions in building a plan to meet the group’s unique needs – simply selecting benefit design, deductible level and member share percentage. The plan document, major provider network memberships, excess loss insurance coverage, and professional administration are already in place.

## Seamless.

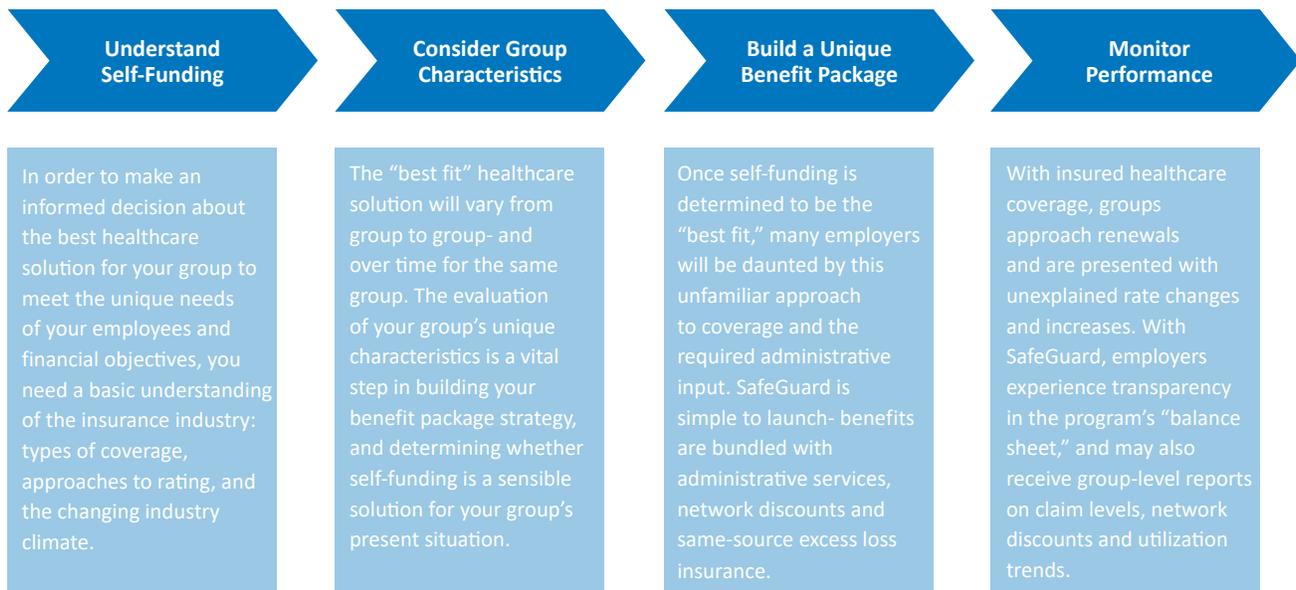
SafeGuard is AHCN turnkey, and results are seamless: All aspects of the plan are handled under one roof, from billing to claims adjudication, member support to network coordination, compliance review to excess loss insurance claim and payment processing. Employers make one monthly payment, and US Health and Life Insurance Company (USHL) handles the rest – the employer is not required to submit bills, track paperwork, or pre-pay high dollar claims and await reimbursement.

## Same-source.

SafeGuard AHCN offers the significant advantage of same-source excess loss insurance and benefit administration. Because USHL provides both, there are no coverage gaps in the SafeGuard program – thereby eliminating anxiety and processing delays for the member, as well as limiting liability issues and financial impact for the employer.

## Benefits your way.

All employers need to consider self-funding their group health coverage. Follow the SafeGuard process to make the right decision for your group.



# Understand Self-Funding

## Self-funding with SafeGuard AHCN

SafeGuard AHCN offers small to mid-size employers the opportunity to gain the benefits of self-funding without taking on the complexities and uncapped risk of traditional self-funded programs.

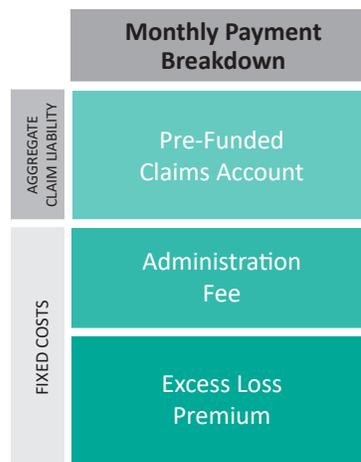
SafeGuard AHCN delivers comprehensive benefits, professional administration, and excess loss insurance protection— for one predictable monthly payment, **and if claims experience is favorable, employers can receive money back.**

Insured Coverage	SafeGuard AHCN Coverage	Traditional Self-Funded Coverage
Insurer assumes risk	All SafeGuard AHCN plans include excess loss insurance – employer risk is capped at the monthly payment	Employer must contract with excess loss insurance carrier to mitigate risk – otherwise, all group claims risk is assumed
Services, benefits, and vendors controlled by insurer	Employer selects the desired time-tested benefit design, and USHL handles the rest – networks, PBMs, and additional vendors are already in place	Employer designs plans, secures network memberships, contracts with PBM
All administration (cards, claims adjudication, etc.) provided by insurer	USHL professionals administer benefit design details, adjudicate claims, communicate with employees, and handle disputes	Employer is responsible for administering plan, paying claims, communicating with employees, handling disputes
One level monthly all-premium payment	One level monthly payment with three components – administration fee, excess loss insurance premium and pre-funded claims account installment	Monthly costs vary according to claims levels– highly volatile
If claims are low, insurer keeps unspent portions of reserves as profit	Employer receives funds remaining in pre-funded claims account after settlement	Employer pays for claims, and plan costs will vary from year to year

### Any additional costs or fees with SafeGuard AHCN?

Assuming no census changes, the monthly billed amount for SafeGuard (illustrated at right) remains unchanged for the duration of the contract— and this amount covers the employer’s total financial liability for covered claims.

Taxes and fees imposed by government or state agencies must be paid by the employer— USHL Client Services assists in the calculation of these fees and offers remittance advice.



SafeGuard AHCN coverage offers one level monthly payment, consisting of an amount to be reserved for paying claims (the pre-funded claims account), monthly administration fees and excess loss insurance premium. The employer will not owe more for covered claims than this monthly amount and may receive pre-funded claims dollars back at the time of settlement.



# Consider Group Characteristics

## Risk profile mapping.

The ideal healthcare solution for any group can be largely determined by the group’s risk profile – a hybrid of many group characteristics, including census information (age and gender, group location, number of employees), health of the group members and the employer’s risk tolerance. Each group will have a unique risk profile which will change over time. A group’s risk profile provides the map to a group’s “best fit” coverage type and benefit design.

## Charting a course.

Group evaluation begins with a SafeGuard AHCN baseline quote; this is a quote for the group based on census information only– i.e. group industry and location, and member information including gender, age and contract type.

If rates contained within the group’s baseline quote look favorable, underwriting is the next step – employer and employees complete required documents and medical information is reviewed to determine the group’s risk profile and final rates.

Documents for underwriting vary by group size – refer to the sidebar at right for requirements; all forms and documents are available online at [www.ushealthandlife.com](http://www.ushealthandlife.com) on the New Business Submission Requirements page.

## What to expect during underwriting.

During the underwriting process, groups can expect some of the following:

- Complete and detailed information allows fastest turnaround; underwriting generally takes 24 - 48 hours from receipt of all required documentation.
- The USHL underwriter will reach out to the agent or group for any missing information, such as heights and weights, dosages of listed medications, dates of diagnoses, etc.
- Certain medical conditions, or vague answers to medical questions, may prompt the underwriter to request additional detail via completion of a medical questionnaire or a brief phone interview.
- The medical underwriting process includes examination of prescription drug use in the group. Use of certain drugs with no corresponding medical conditions noted may also prompt the request for additional information.

**Employer Disclosure Form and Instructions for Complete**  
 HPAIA Privacy permits the release of Protected Health Information (PHI) to evaluate and assess risk associated with the Plan Sponsor as a part of underwriting. US Health and Life Insurance Company shall use the information for the purpose of evaluating the acceptability of this rate and shall not disclose except in performing this risk evaluation.

**Employee Enrollment and Addendum to the Employer Disclosure Excess Loss Insurance - Short Medical Form**

**Quote Produced:** 01/21/2013 2:10:39 PM  
**Agency Information:** John Doe (XXX) XXX-XXX  
**USHL Sales Representative:** Administrator

Plan	Spouse	Child	Rate	Monthly Premium	Rate	Monthly Premium
Life Insurance	1	397.17	397.17	107.15		698.92
Medical Coverage	4	740.14	2,960.56	219.89	879.64	699.80
Rx Coverage	2	720.06	1,440.12	215.37	422.74	1,673.29
Excess Loss Insurance	5	1,079.32	5,396.60	323.87	1,619.35	2,482.51
Health & Welfare	0	258.01	0.00	0.00	0.00	512.25
<b>Maximum Monthly Payment Totals</b>				<b>\$10,210.85</b>		<b>\$3,027.88</b>
<b>Maximum Monthly Payment Total - Medical and Rx Combined</b>						<b>\$13,238.73</b>

**Monthly Payment Summary**

Pre-Funded Claims	3971.62
Administration Fee	2647.75
Excess Loss Insurance	9519.36
<b>Maximum Total Monthly Cost</b>	<b>\$13,238.73</b>
<b>Annual Total Pre-Funded Claims</b>	<b>\$ 47,650.44</b>
<b>Expected Annual Claims*</b>	<b>\$ 39,527.33</b>
<b>Expected Annual Savings*</b>	<b>\$ 8,123.11</b>

\* Based on an average utilization rate of 65%. Actual utilization rates will vary by group.

## What confidence can I have that the risk profile score is accurate?

Because the risk profile score not only guides USHL in rate development, but also allows the employer to determine whether self-funding is a “best-fit,” confidence in underwriting results is paramount. USHL underwriting produces high level accuracy:

**“ Given their underwriting accuracy, the USHL average risk score is one of the lowest we’ve seen across the country. ”**

– Jac Joubert, FSA, FIA, MAAA  
 Principal and Consulting Actuary  
 Oliver Wyman Actuarial Consulting Inc.

## What can an employer expect in a typical plan year?

While there really is no “typical” plan year, the charts below illustrate what an employer can expect in both a moderate and high-cost claims year. Regardless of how claims run during the contracted twelve-month period, fixed costs and excess loss insurance premiums remain unchanged, and **the employer owes no more than the monthly payment for covered, eligible claims.** During a moderate-cost claims year, the employer receives unused pre-funded claims dollars after settlement (Example A); during a high-cost claims year, there are no employer pre-funded claims dollars available to be returned (Example B).

### SafeGuard

DOCUMENTS REQUIRED FOR UNDERWRITING

#### All Groups:

Employer Disclosure Form

#### Additional Requirements by Group Size

Up to 99 Employees Enrolling:  
Short Form Employee Submissions

and

Prior, Current and Renewal Rates

or

Employee Enrollment Forms and Experience

Must Include:

High-Dollar Claims Experience (2 - 3 years):  
Paid amounts, diagnosis, treatment plan, prognosis (if available)

Monthly claims and enrollment (2 - 3 years)

Plan design(s):  
If more than one plan, indicate percentage in each plan

Current and renewal rates & factors

#### Moderate-Cost Claims Year (A)

Annualized Costs:

Administrative Fees	\$12,600
Excess Loss Premium	\$29,400
Claims Pre-Fund Account	\$18,000
Claims Total	\$14,100
Claims Paid from Pre-Fund	(14,100)
Claims Paid by Excess Loss	-0-
IBNR	(\$1,200)

Settlement to Employer \$2,700

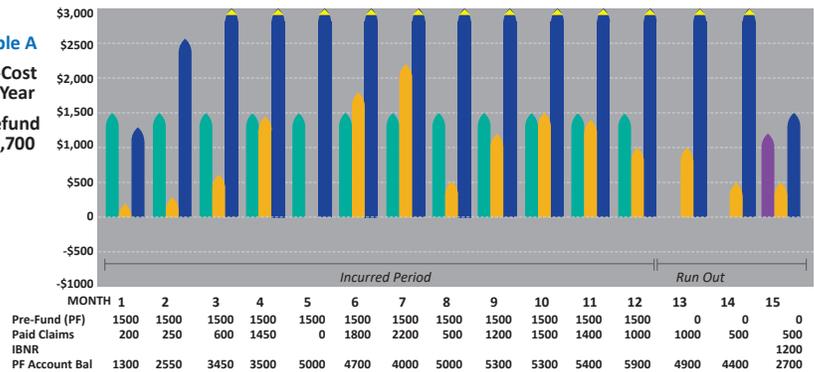
#### High-Cost Claims Year (B)

Annualized Costs:

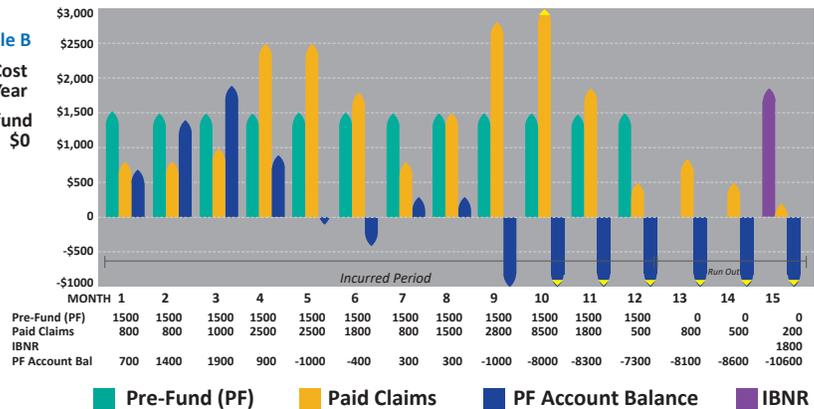
Administrative Fees	\$12,600
Excess Loss Premium	\$29,400
Claims Pre-Fund Account	\$18,000
Claims Total	\$26,800
Claims Paid from Pre-Fund	(18,000)
Claims Paid by Excess Loss	(\$8,800)
IBNR	(\$1,800)

Settlement to Employer -0-

**Example A**  
Moderate-Cost Claims Year  
Settlement Refund \$2,700



**Example B**  
High-Cost Claims Year  
Settlement Refund \$0



Pre-Fund (PF) Paid Claims PF Account Balance IBNR

Understand Self-Funding

Consider Group Characteristics

Build a Unique Benefit Package

Monitor Performance

# Select a Benefit Package

## Self-funding with a solid foundation.

SafeGuard offers market-proven coverage: Many of the same popular benefit designs that have protected the lives of tens of thousands of USHL insured members comprise the SafeGuard Portfolio.

## Preventive Care

Preventive care services are generally covered with no cost-sharing and are not subject to copayments, deductibles or annual limits when received only from an in-network provider. For more information please refer to your official plan documents.

A complete list of preventive care services recommended under the U.S. Preventive Services Task Force (USPSTF) is available online at [uspreventiveservicestaskforce.org](http://uspreventiveservicestaskforce.org)

## Prescription Drug

### Traditional and Copay Plans

Employer Selects Desired Rx Options (Six packages available)

### High Deductible Health Plans

Rx Coverage Embedded

## PPO Benefit Overview

	Plan	Member Share Percentage (AHCN Net/HFN Net/ Out-of-Net)	Member Deductible In-Net Single/Family	Coinsurance Maximum In-Net Single/Family	Copay Office Visit PCP/Specialist
Traditional - Three Tier	SafeGuard Pinnacle \$250	100%/80%/50%	AHCN \$250/\$500 HFN \$1500/\$3000	AHCN N/A HFN \$4850/\$9700	AHCN \$10/\$20 HFN \$20/\$40
	SafeGuard Pinnacle \$500	100%/80%/50%	AHCN \$500/\$1000 HFN \$2000/\$4000	AHCN N/A HFN \$4350/\$8700	AHCN \$10/\$20 HFN \$20/\$40
	SafeGuard Pinnacle \$1000	100%/80%/50%	AHCN \$1000/\$2000 HFN \$2500/\$5000	AHCN N/A HFN \$3850/\$7700	AHCN \$10/\$20 HFN \$20/\$40
	SafeGuard Pinnacle \$2000	100%/80%/50%	AHCN \$2000/\$4000 HFN \$5000/\$10000	AHCN N/A HFN \$1350/\$2700	AHCN \$10/\$20 HFN \$20/\$40
	SafeGuard Peak \$0	80%/60%/50%	AHCN N/A HFN \$1000/\$2000	AHCN \$2500/\$5000 HFN \$5000/\$10000	AHCN \$15/\$30 HFN \$30/\$60
	SafeGuard Peak \$250	80%/60%/50%	AHCN \$250/\$500 HFN \$1500/\$3000	AHCN \$2500/\$5000 HFN \$4850/\$9700	AHCN \$15/\$30 HFN \$30/\$60
	SafeGuard Peak \$500	80%/60%/50%	AHCN \$500/\$1000 HFN \$2000/\$4000	AHCN \$2500/\$5000 HFN \$4350/\$8700	AHCN \$15/\$30 HFN \$30/\$60
	SafeGuard Peak \$1000	80%/60%/50%	AHCN \$1000/\$2000 HFN \$2500/\$5000	AHCN \$2500/\$5000 HFN \$3850/\$7700	AHCN \$15/\$30 HFN \$30/\$60
	SafeGuard Peak \$2000	80%/60%/50%	AHCN \$2000/\$4000 HFN \$5000/\$10000	AHCN \$2500/\$5000 HFN \$1350/\$2700	AHCN \$15/\$30 HFN \$30/\$60
High Deductible Health Plan	SafeGuard HDHP Pinnacle \$1500	100%/80%/50%	AHCN \$1500/\$3000* HFN \$3000/\$6000	AHCN N/A HFN \$750/\$1500	AHCN 100% after deductible HFN 80% after deductible
	SafeGuard HDHP Pinnacle \$2800	100%/80%/50%	AHCN \$2800/\$5600 HFN \$5600/\$11200	AHCN N/A HFN \$750/\$1500	AHCN 100% after deductible HFN 80% after deductible
	SafeGuard HDHP Peak \$1500	80%/60%/50%	AHCN \$1500/\$3000* HFN \$3000/\$6000	AHCN \$2500/\$5000 HFN \$3350/\$6700	AHCN 80% after deductible HFN 60% after deductible
	SafeGuard HDHP Peak \$2800	80%/60%/50%	AHCN \$2800/\$5600 HFN \$5600/\$11200	AHCN \$1700/\$3400 HFN \$750/\$1500	AHCN 80% after deductible HFN 60% after deductible

\*Plan includes an **Aggregate Deductible**: For family coverage, the entire family deductible must be met prior to any individual family member receiving plan benefits. All other plans include an **Embedded Deductible**: Each covered family member only needs to satisfy his or her individual deductible, not the entire family deductible, prior to receiving plan benefits.

For more detailed information, reference plan schedules.

## SafeGuard AHCN basics.

All benefit designs within our SafeGuard portfolio have important common elements:

- SafeGuard coverage utilizes proven provider networks offering high levels of participation and significant discounts. For current network choices available by state, visit [www.ushealthandlife.com](http://www.ushealthandlife.com).
- Out-of-state members are assigned a provider network yielding high provider participation and discounts.
- Prescription coverage is accepted at nearly all major pharmacies and most local or independent pharmacies in the U.S.
- A mail order program for maintenance drugs offers steep discounts and the convenience of home delivery.
- The member and provider experience is similar to that of traditional insurance— members receive ID cards and coverage-related communications from USHL; providers have numbers to call to verify benefits, submit claims in the standard fashion and receive payments from USHL.
- SafeGuard excess loss insurance coverage pays at the time the employer needs it— this coverage is available to pay large claims as they happen, unlike competitor products that require the employer to pay up front and await reimbursement.
- A staff of professionals in claims, billing and member services stand behind our plans, and have extensive experience with our benefit designs, vendors and networks.
- Claim disputes are handled by our member services team.
- Online resources assist members 24/7 with needs including explanation of benefit (EOB) copies, provider lookups and coverage questions.
- Recontracting reports detail the annual “balance sheet”: pre-funded claims account balance, claim activity, excess loss claims, etc.
- Settlement statements are prepared annually and unused pre-funded claims account dollars are returned to qualifying groups.

### USHL Ancillary Coverage

USHL offers insured coverage which may be implemented along with SafeGuard including:

Dental  
Life and AD&D

## SafeGuard AHCN coverage highlights:\*

### Physician Services

Primary physician office visits  
Specialist physician office visits  
Inpatient and outpatient services and surgery  
Allergy testing and injections  
Emergency room physician services  
Urgent care physician services

### Facility Charges

Inpatient and outpatient facility services and surgery  
Emergency room charges  
Urgent care charges  
Inpatient and outpatient diagnostic services and advanced imaging (i.e. radiology, pathology, MRA/MRS, MRI, PET, CAT, SPECT)

### Preventive Care

First-dollar wellness / preventive, including well-baby visits, mammograms, colonoscopies, immunizations, additional per national recommendations and preventive care guidelines.

### Other Services

Inpatient and outpatient substance abuse treatment  
Chiropractic care  
Semi-private and intensive care unit room and board  
Hospital services and supplies  
Hospice care  
Home healthcare services  
Physical / Occupational / Speech therapy  
Physiotherapy  
Private duty nursing  
Ground or licensed air ambulance services  
Durable medical equipment and supplies  
Blood, blood plasma  
Pre and post-natal care  
Circumcisions  
Chemotherapy and antineoplastic drugs  
Extended care facility charges  
Treatment for mental, nervous and personality disorders (inpatient and outpatient)  
Temporomandibular Joint (TMJ) and comparable disorders  
Nurse / midwife services  
Voluntary sterilizations  
Human organ and bone marrow transplants

\* This is a brief description of benefits only. Coverage is determined by the deductible and member-share percentage maximum selections and use of preferred providers. Refer to the Plan Document for detailed benefit and coverage guidelines, general exclusions and applicable limitations.

## Data-driven decisions.

SafeGuard AHCN provides plan year reporting with a detailed annual “balance sheet” and group level utilization trends for mid-size employers – information needed for data-driven healthcare solution strategies.

## Deciphering the data.

SafeGuard AHCN reporting, provided in the tenth month of the contract period along with re-contracting rates, provides a big picture view of program financials – re-contracting documents identify pre-funded claims account balances on a monthly basis, as well as group claims by type, claim payment advances and excess loss claim payments.

In addition, groups with fifty or more enrolled are provided reports showing non-member specific data: Information on claims paid, types of visits driving group medical costs, in-network versus out-of-network claims, generic versus brand drug usage, and more.

This reporting is not only helpful in determining the best ongoing healthcare coverage fit for the group, but also helpful to groups wishing to create custom wellness programs tailored to the specific needs of their members. Report information indicates what counseling, preventive and utilization management measures could have greatest impact on group health.

**RE-CONTRACTING APPLICATION**  
**POLICY SCHEDULE/PROPOSAL FOR GROUP EXCESS LOSS INSURANCE**

**Part I. Policy Holder**

a. Full Legal Name of Policy Holder ABC Testing Production  
 b. Address 4321 Main Street City, State, Zip  
 c. TIN 123456789  
 d. Name and Title of Contact Person Peter Smith  
 e. Effective Date June 1, 2014  
 f. Group/Division # SHP 0693  
 g. Quote ID 139P0441

**Part II. Plan of Insurance, PPO Network, Benefits and Premium Calculation (See attached offer)**

**Part III. Employer Disclosure Form**

**Part IV. Acceptance of Proposed Plan of Insurance Calculation**

This application and attached offer must be signed by our office no later than May 15, 2014.  
 By signing this application you are verifying that all census on the attached quote is correct and that it is correct. This offer is based upon the assumption standard terms of the attached.

By signing, ABC Testing Production authorized attached offer as well as acknowledges that all information or its authorized representative is accurate and correct.

Name of Authorized Representative \_\_\_\_\_  
 Signature of Authorized Representative \_\_\_\_\_  
 Title of Authorized Representative \_\_\_\_\_

Monthly Accounting Report

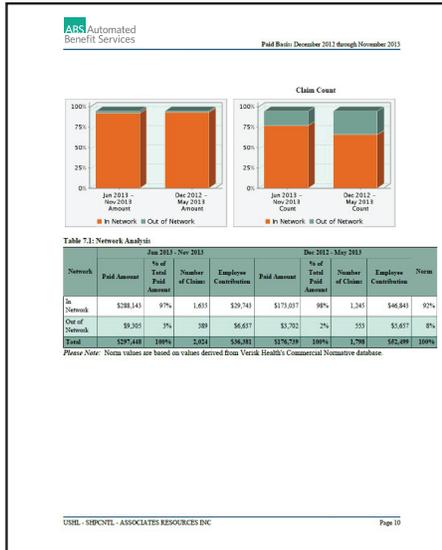
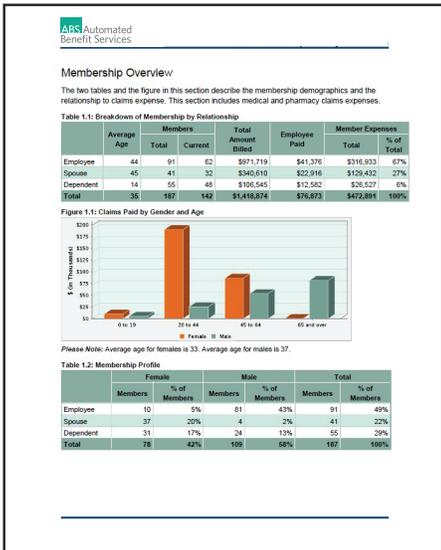
US Health and Life Insurance Company      Effective: 6/1/2015  
 ABC Testing Production      Company NO: SHP 8601  
 4321 Main Street  
 City, State, Zip

**Monthly Payment Summary**

Pre-Funded Claims: 10%  
 Administration Fee: 30%  
 Excess Loss Prem: 60%  
 TOTAL: 100%

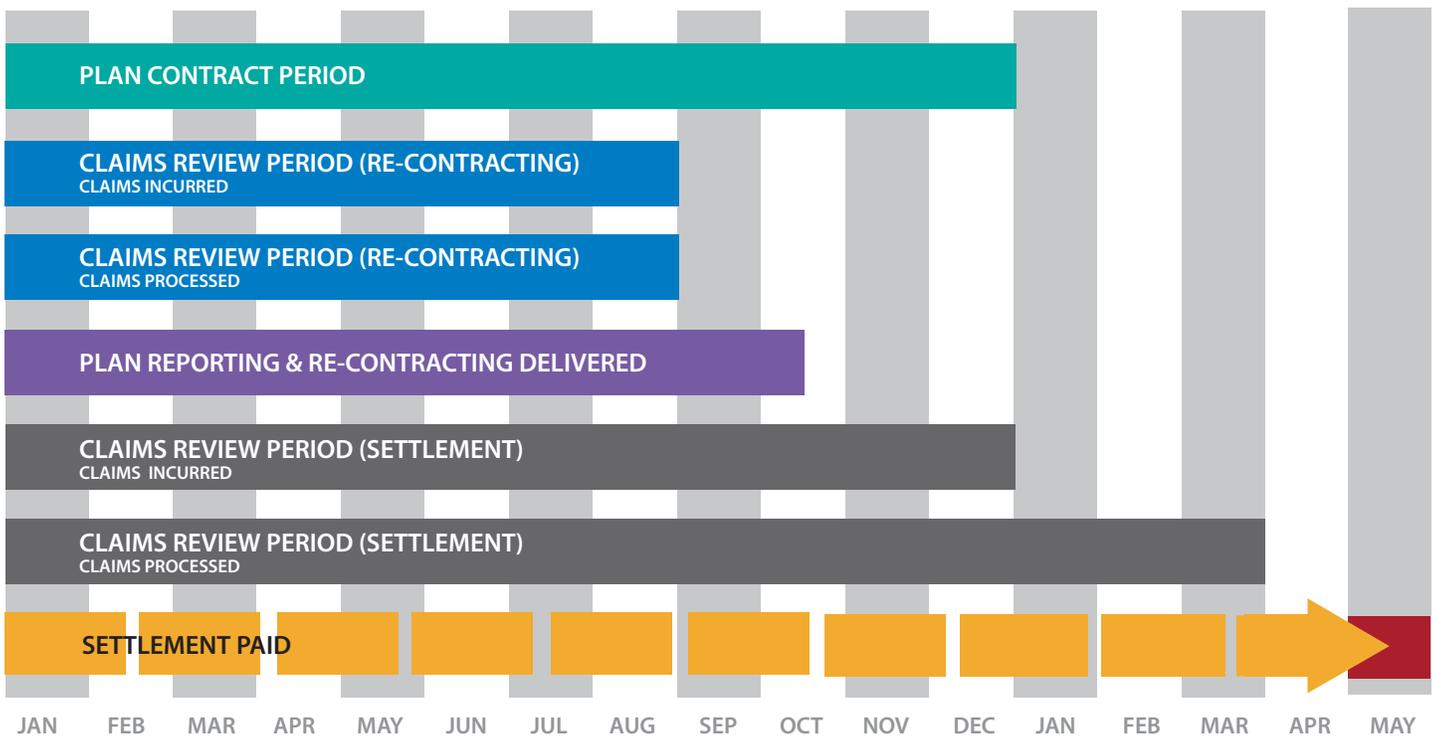
Settlement		Coverage	BI	Premium				Claims			Claim Fund	
Month	Month	Month	Count	Excess	Admin	Claim Fund	Total	RX	HSA/RX	Medical	Total	Running Balance
June-15	June-15	June-15	9	2,450.00	1,050.00	1,500.00	5,000.00	200.00	-	-	200.00	1,300.00
July-15	July-15	July-15	9	2,450.00	1,050.00	1,500.00	5,000.00	-	-	250.00	250.00	2,550.00
August-15	Aug-15	Aug-15	9	2,450.00	1,050.00	1,500.00	5,000.00	600.00	-	600.00	600.00	3,450.00
September-15	Sep-15	Sep-15	9	2,450.00	1,050.00	1,500.00	5,000.00	250.00	-	1,200.00	1,450.00	5,000.00
October-15	Oct-15	Oct-15	9	2,450.00	1,050.00	1,500.00	5,000.00	-	-	-	-	5,000.00
November-15	Nov-15	Nov-15	9	2,450.00	1,050.00	1,500.00	5,000.00	200.00	-	1,600.00	1,800.00	4,700.00
December-15	Dec-15	Dec-15	9	2,450.00	1,050.00	1,500.00	5,000.00	400.00	-	1,800.00	2,200.00	4,000.00
January-16	Jan-16	Jan-16	9	2,450.00	1,050.00	1,500.00	5,000.00	-	-	500.00	500.00	5,000.00
<b>TOTAL</b>			<b>72</b>	<b>19,800.00</b>	<b>8,400.00</b>	<b>12,000.00</b>	<b>40,000.00</b>	<b>1,050.00</b>	<b>-</b>	<b>5,950.00</b>	<b>7,000.00</b>	<b>5,000.00</b>

Claims amounts shown are based on paid claims only and do not represent the full claims liability of the plan.  
 The total cost of claims for the 12 month contract period will be determined after the 90 day run-out period following the 12 month contract period.  
 To account for any claims that were incurred but not reported (IBNR) prior to the end of the run-out period, an IBNR factor will be applied to the total claims cost for settlement.



All SafeGuard AHCN groups receive annual program financials within recontracting documents delivered in the tenth plan month. Groups with fifty or more enrolled can also request group claim analyses: Claim types, in-net versus out-of-net claims, common illness analysis, etc.

## SafeGuard Plan and Settlement Timeline



### Contract period and plan settlement.

SafeGuard is an incurred-contract program – covered, eligible claims (as defined in the Plan Document) incurred during the twelve month contract period will be processed for payment. This offers a tremendous advantage to the small to mid-size employer looking for a self-funded solution that is without gaps created by incurred-versus-paid timeline complexities.

Another SafeGuard AHCN advantage is that the pre-funded claims account is established by twelve monthly payments over the course of the annual incurred contract – many competitor programs collect fifteen to eighteen payments (three to six months beyond the plan year) to continue funding the account for claims lag.

As shown in the timeline above, the contract period runs twelve months; reporting data and re-contracting data are presented at month ten; incurred claims are processed for fifteen months, and settlement and resulting fund distributions occur within five months after the contract end date\*. Any claims incurred within the contract period, but not received within the settlement period will be covered by the incurred but not reported (IBNR) claims estimate – see explanation of IBNR Claims Estimate in sidebar.

\*If a group terminates prior to the end of the twelve month contract period, settlement will still occur at the originally-scheduled date.

“A settlement check is like a group’s bonus for a healthy year.”

### What happens at settlement?

SafeGuard is an incurred contract, meaning that any eligible claim incurred during the twelve-month contract period will be processed for payment according to plan guidelines.

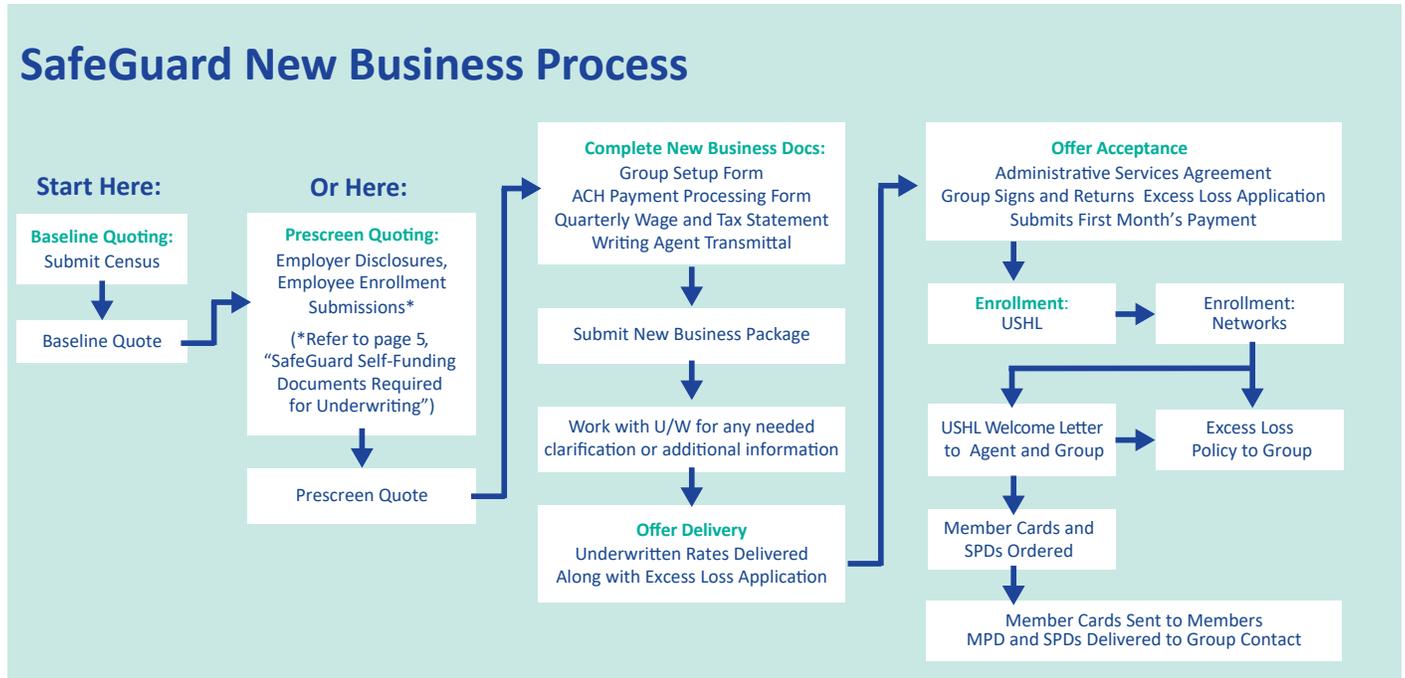
The contract settlement period extends 90 days beyond the twelve-month contract end date in order to allow time for incurred but not reported (IBNR) claims to reach USHL for processing.

At the end of the settlement period, a determination is made on potential claims outstanding– yielding the IBNR Claims Estimate. This amount is held back from funds remaining in the pre-funded claims account.

The remaining balance is returned to the employer within five months following the twelve-month contract end date.



The SafeGuard AHCN new business process takes a group from initial baseline quoting to final underwritten rates and member enrollment. This process, as detailed below, takes approximately two weeks from start to finish.



## Instructions for new groups.

- To obtain a baseline rate quote (rates based solely on census information), submit a group census to [Quotes@ushealthandlife.com](mailto:Quotes@ushealthandlife.com)  
Census must include:
  - Company Name and Address
  - SIC Code (or nature of business)
  - Employee Roster:
    - + Name
    - + Gender
    - + Date of Birth
    - + Contract Type—Employee, Couple, Employee + Children, Family
    - + Residential Zip Code
  - Desired Effective Date

Allow 24 - 48 hours for baseline rate quote delivery.

- Groups may elect to proceed to underwriting after a baseline rate quote has been developed, or as the first step in the process. To obtain an underwritten rate quote, employer and enrolling employees must complete and submit necessary documents\* to USHL Underwriting at [Prescreens@ushealthandlife.com](mailto:Prescreens@ushealthandlife.com)

Allow 48 - 72 hours for underwritten rate quote delivery.

\*Refer to page 5, "SafeGuard Documents Required for Underwriting"

- Underwritten rates (based on medical conditions in the group) will match final rates assuming no relevant group information changes during new business review— i.e. census, medical conditions, contract types and company information.
- To proceed to new business processing, the group must complete a SafeGuard Group Setup Form, Administrative Service Agreement, ACH Payment Processing Form\*\*, and submit a copy of the most recent quarterly wage and tax report.
- Once the new business package has been processed, USHL Underwriting will deliver to the group a SafeGuard proposal, which includes final rates and the USHL Excess Loss Insurance contract, which must be signed and returned along with a binder check for the first month's payment. Payment for subsequent months will occur via ACH payment processing.
- Upon receipt of the signed contract and binder check, USHL and network enrollment is completed; welcome letters, ID cards, Master Plan Document and member copies of the Summary Plan Description go out to the group contact, along with the Excess Loss Insurance Policy.

\*\* Documents required for underwriting and new business submission are available at <http://www.ushealthandlife.com/Find-a-Plan/Medical/SafeGuard/New-Business-Submission-Requirements>



# Frequently Asked Questions

## Can a group select from two benefit designs?

Two benefit designs can be implemented in a group with a minimum of five eligible employees enrolled and each plan option must have one eligible employee enrolled.

## What groups are eligible for SafeGuard AHCN?

Most businesses with appropriate business licensure and possessing bona fide employer-employee relationships will qualify.

## Is there a participation requirement?

A minimum of 50% of eligible employees must enroll.

## Is there a minimum employer contribution requirement?

No.

## What happens to my monthly payment if I add or drop employees?

The monthly payment will change along with changes to the group census.

## What happens if there is a significant claim early in the contract period and I don't have adequate funds in my pre-funded claims account to pay it?

At any time during the contract period, if a claim exceeds available funds in the pre-funded claims account, an aggregate advance will be made to cover the claim. At the time of settlement, aggregate advances are reconciled against pre-funded claims account monies. Claims which exceed the total annual balance of the pre-funded claims account will be covered by excess loss insurance payments.

## What happens if a claim was incurred during the contract period, but doesn't arrive to USHL for processing until beyond the 15-month settlement period?

At the time of settlement, a determination is made on potential claims outstanding, and USHL Underwriting assigns an incurred but not reported (IBNR) claims estimate. The IBNR claims estimate is retained by USHL to cover any outstanding claims after settlement, and is subtracted from any return of funds due to the employer.

## Do I get back my excess loss insurance premium payments if I never utilize the excess loss insurance coverage?

No; excess loss insurance premiums and administration fees are plan fixed costs and are not refundable.

## Do I have to open a bank account for the pre-funded claims account?

No; USHL maintains and administers the pre-funded claims amount for each SafeGuard AHCN client.

## Will I get an ongoing report showing me the rolling balance in my pre-funded claims account?

Your monthly billing statement will show the breakdown of the portion of your payment allotted to the pre-funded claims account; reporting at month ten will show funds accumulated, claims covered by pre-fund claims account dollars, and remaining balance. Settlement will give final accounting of the funds prior to any distributions.

## What happens if I terminate prior to the end of the twelve month contract period – will I forfeit all unspent pre-funded claims dollars?

In the event this Agreement is terminated prior to the end of the term for any reason, the Plan Sponsor will be given the opportunity to pay USHL an amount which is equal to 1) the greater of any outstanding amount of the Minimum Aggregate as identified in the Offer of Excess Loss/Policy Schedule or 2) the average of the last three (3) months of prefunded claims multiplied by the number of months remaining in the term. Such payment shall be due within (30) days of the date of termination of the Agreement. In the event USHL does not receive such payment within thirty (30) days of termination of the Agreement, USHL shall cease processing and payment of all claims, regardless of the date the claims are incurred or received by USHL, and Plan Sponsor shall be liable for payment and processing of such claims.

## If my group re-contracts, does my unused pre-funded claims account roll over to a new year?

No; the normal settlement process will occur even with re-contracting groups. Each plan year constitutes an entirely new contract, with no "roll-over" from a prior year contract period.

## Because this is a self-funded plan, can I choose what I want covered and not covered?

No; SafeGuard AHCN allows the employer to select benefit design(s) only; the MPD / SPD, administrative service agreement and excess loss insurance certificate are standard.

## How are claims disputes handled?

USHL handles and makes decisions on all claims disputes.

## Who is responsible for taxes and fees associated with my self-funded coverage?

Self-funded coverage is subject to certain taxes and fees, including the PCORI Fee and Transitional Reinsurance Fee. USHL Client Services assist in calculations of those fees, but payment is the responsibility of the employer.

## What is included in the monthly administration fee?

The monthly administration fees are inclusive of, but not limited to, enrollment, claims processing and adjudication, member cards and plan documents, access to all USHL client service resources (i.e. over the phone, via fax recall and online secure services portals), coordination with networks and PBMs, claims dispute resolution, member and group communications, excess loss insurance claims coordination and payment, and plan reporting.

SafeGuard AHCN requires no more administrative involvement from the employer (plan sponsor) than would be associated with an insured group medical plan.

## If I elect a SafeGuard HDHP, are my employees required to have an HSA account? If I elect to have an HSA account, do I have to go through USHL, or can I use my preferred bank?

While SafeGuard AHCN HDHPs are qualified plans, they may be implemented with or without a health saving account (HSA). If the employer group has a preferred HSA bank, we will work with that institution; otherwise, they can use our preferred HSA vendor.



US Health and Life Insurance Company, in partnership with AMITA Health Care Network, offers Illinois employers an innovative approach to group healthcare coverage:

- Cost-effective, quality coverage
- Coordinated care provided by clinicians employing a team-based approach targeting quality outcomes
- Patient-centered medical home (PCMH) care delivery
- Access to a comprehensive network of acclaimed providers and facilities
- Powered by two of the nation’s largest faith-based health systems, **Ascension Health and Adventist Health**

The AHCN offer services across five Chicago-area counties, from the northwest suburbs to the southwest suburbs; 80% of Chicagoans live within 10 miles of an AHCN provider location.

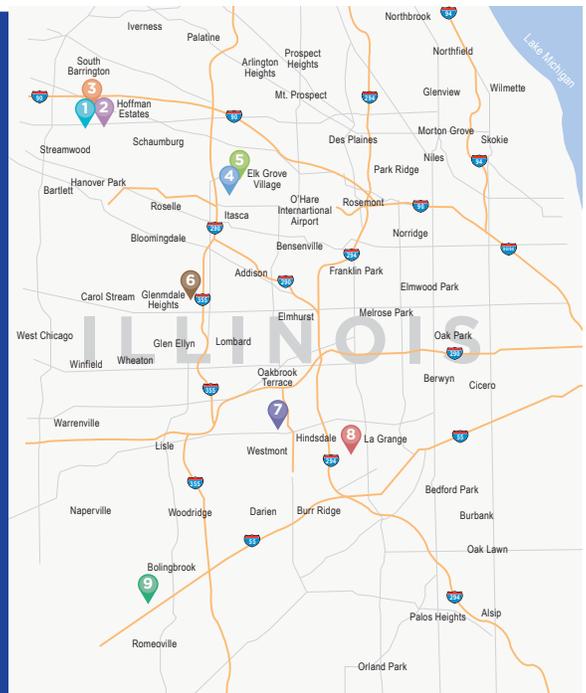
The AMITA Health Care Network (AHCN) includes 9 hospitals, 80 clinics and outpatient facilities, and 500 multi-specialty doctors and practitioners on staff. Over 3,000 top-rated hospital-affiliated primary care and specialty care physicians put patients at the center of the care model and who promote quality, safety and better outcomes in a way that is efficient, effective and affordable.

Physicians in the AHCN approach patient care from a comprehensive view that places patients at the center, where patients benefit from tools and initiatives our physicians utilize that promote quality, safety and better outcomes.

We recognize that healthcare takes the work of dedicated doctors, nurses, social workers and other healthcare professionals. The AHCN supports organized, coordinated care by high quality healthcare teams throughout a patient’s health journey and gives payers and employers a more affordable, efficient healthcare option for a population of workers and dependents.

## USHL and AMITA Health Care Network Locations

1. AMITA Health St. Alexius Medical Center - Hoffman Estates
2. AMITA Health Alexian Brothers Women & Children’s Hospital - Hoffman Estates
3. AMITA Health Alexian Brothers Behavioral Health Hospital - Hoffman Estates
4. AMITA Health Alexian Brothers Medical Center - Elk Grove Village
5. AMITA Health Alexian Brothers Rehabilitation Hospital - Elk Grove Village
6. AMITA Health Adventist Medical Center - GlenOaks
7. AMITA Health Adventist Medical Center - Hinsdale
8. AMITA Health Adventist Medical Center - La Grange
9. AMITA Health Adventist Medical Center - Bolingbrook



## SafeGuard® AHCN: Significant savings and superior care.

SafeGuard AHCN offers a three-tier benefits structure: Members enjoy the best discounts and lowest out-of-pocket costs within tier one— while receiving access to more than 3,000 physicians who are located within 10 miles of where 80% of Chicagoans live, work or play.

When services are needed from a non-AHCN provider within Illinois, members receive tier two benefits when serviced by a HFN provider or facility. Tier three benefits apply for all non-AHCN or non- HFN providers within Illinois and nationwide.

### AMITA Health Care Network: Delivering Advanced Care

As a clinically integrated network, AHCN is dedicated to improving health through a deep understanding of large populations in the community. We use our electronic medical record and population health management software to aggregate longitudinal data from clinical data systems and payors to improve care management and application of evidence-based medicine. We have developed eAMITA for virtual visits for common, non-urgent conditions through a two-way video conversation on a smart-phone, tablet or computer, via the eAMITA app.

## Tier One | AHCN

### Greatest Savings

Lowest out-of-pocket expenses and best discounts

### Illinois Coverage

- 28 hospitals and 4,900 physicians
- Patient-centered medical home (PCMH) coordinated care

## Tier Two | HFN

### Mid-Range Savings

Low out-of-pocket expenses and good discounts

### Illinois Coverage

- High level participation across five Chicago-area counties
- Preferred Provider Organization (PPO) care delivery

## Tier Three | Out of Network

### Modest Savings

Capped out-of-pocket expenses and some discounts

### Nationwide Coverage

- HFN providers or facilities
- No coordinated care

## Bringing better, more affordable care to Illinois groups

### How does AHCN's coordinated care improve healthcare delivery?

The AMITA Health Care Network (AHCN) includes more than 1,600 top-rated primary care and specialty care physicians who put patients at the center of the care model and who promote quality, safety and better outcomes in a way that is efficient, effective and affordable. Physicians in the AHCN approach patient care from a comprehensive view wherein patients benefit from tools and initiatives our physicians utilize that promote quality, safety and better outcomes. Our network also helps physicians coordinate care throughout a patient's health journey and gives payers and employers a more affordable, efficient healthcare option for a population of workers and dependents. AMITA Health is a joint operating company of Adventist Midwest Health and Alexian Brothers Health System, which are powered by two of the nation's largest faith-based health systems – Adventist Health and Ascension Health. This corporate structure gives AHCN

access to intelligence and best practices from approximately 200 hospitals. Located in the west and northwest suburbs of Chicago, AMITA Health's hospital and employed physician footprint reaches four million Chicagoans, or half of the metropolitan area's residents. The AMITA Health system consists of nine of Illinois' highest-ranked hospitals, including six acute care hospitals and three specialty hospitals for behavioral medicine, rehabilitation and women's/children's care. The system also includes AMITA Health Medical Group, with 550 providers employed in 78 sites of care and six Immediate Care Centers. AMITA Health also includes Specialty Pharmacy, Home Care, Hospice and the AMITA Health Care Network of more than 3,000 affiliated physicians.



**US Health and Life**

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