

# EDHP™

EMPLOYER DRIVEN HEALTH PLANS 51+

Health Plans  
For Groups of 51+

Shared Funding built  
with excess loss deductibles  
as low as \$10,000

Finally,  
A health plan  
which puts you  
in control.



CA. Insurance License #0708953

People often wonder how other employers are reducing the cost of healthcare at a time when most employers are experiencing double-digit rate increases.



**The answer can be simple -**

The EDHP™ series allows employers to take advantage of the fact that 50-70% of the members in any size group do not use the health plan, or use it so little that it is of no significance.

The EDHP™ series of health plans will allow you to create a shared-funding plan which will let you stop subsidizing other groups and reap the savings of your group's overall good health.

*Enjoy lower cost of providing benefits...*

*because of your smart choices  
in plan design.*



# Shared Funding: A Viable Alternative

*To traditional health insurance!*

With the EDHP™ series, you can take advantage of the fact that in most groups 50-70% of the members do not use the plan at all. The overall cost will usually be less than a comparable, fully-insured plan. You will fund your claim expenses, up to a pre-determined amount. If your actual expenses are less than what you've funded, you get to keep the additional savings.

What if one member has a large claim or overall utilization is higher than expected? Then your excess loss insurance protection will step in to reimburse you for the excess covered claims. **You control your risk and maximize your potential rewards with shared-funding.**

## How Shared-Funding Works

Shared-funding is an alternative approach to financing an employee benefit plan. Large employers have long used shared-funding to directly fund their expected claims while separately purchasing Excess Loss coverage (often referred to as "Stop Loss") as an extra measure to protect the employer's plan against catastrophic claims. Your maximum cost is guaranteed for the year, subject only to changes in your enrollment.

Shared-funding makes it simple:

- Single monthly billing
- Excess Loss Insurance Coverage
- Administration Fees
- PPO and UR Access
- Claims Fund

Your monthly billing will not change even though claims may fluctuate because you have a monthly maximum protection.

Claims, customer service, plan management and accounting will all be handled by BEN-E-LECT and its experienced staff.

## Shared-Funding Claims Process

1) Your fixed monthly cost stays constant and will be billed on a simple single billing statement.

2) Your fixed monthly cost provides funds to pay expected claims.

3) BEN-E-LECT will pay employees' medical claims on your behalf.

4) If covered medical claims ever exceed the maximum amount, your Excess Loss insurance reimburses the Employer.

5) The employer keeps the savings!



## FAQs

**Who do I call when I have questions regarding my benefits?**

BEN-E-LECT has a dedicated Customer Service Department that is trained to handle your questions.

**What happens when I go to the doctor?**

Your doctor will copy your ID card and will charge you a copay. If your doctor has questions regarding the plan, please have them contact BEN-E-LECT's Customer Service Department.

**What happens when I go to the pharmacy?**

You will simply pay your copay as listed on your ID card. If the pharmacist has any questions, they can contact BEN-E-LECT's Customer Service Department.

**Who do I call to check status on my claim?**

BEN-E-LECT's Customer Service Department.

BEN-E-LECT Customer  
Service Department  
**(888) 886-7973**



**Will the EDHP™ be more work than our current plan?**

**No.** The EDHP™ plan is a turnkey program which is designed to reduce cost without causing you extra work. It really is that simple.

**What is Specific Excess Loss Coverage?**

Specific coverage provides protection for the employer against unexpected, high dollar claims on any one individual. The employer will have a per-person "attachment point" which is the amount of responsibility the plan agrees to retain. Eligible claims above this "attachment point" are reimbursed by Excess Loss coverage.

**What is Aggregate Excess Loss Coverage?**

Aggregate coverage provides a ceiling on the dollar amount of eligible expenses that an employer would pay, in total, during a Contract Period. Expected monthly claims costs are determined using the number of plan participants, covered dependents and other factors. The amount may change from month to month depending on enrollment changes, but will never be less than 100% of the monthly aggregate "attachment point" determined at the beginning of the contract period.

**What does the six-month claims run-out do for our group?**

The six-month claims run out period allows for the processing of any outstanding claims that were incurred prior to the end of the excess loss contract period.

**Do employees' copays and deductibles count towards the Specific and Aggregate Deductibles?**

**No.** Plan deductibles, copays and coinsurance do not apply to the Excess Loss Specific and Aggregate Deductibles.

**Will BEN-E-LECT prepare a plan document?**

**Yes.** A plan document will be prepared and it will contain all of the plan provisions including eligibility, benefits covered, benefits limited or excluded, and termination, as well as all other plan provisions.

**What other material will we receive?**

Member materials such as Summary Plan Descriptions, Schedule of Benefits, I.D. cards, and other documents needed to administer the plan are prepared by BEN-E-LECT.

## EMPLOYER ADVANTAGES

### Cost & Utilization Controls

- BEN-E-LECT offers you a variety of cost control programs such as access to a choice of preferred provider organizations (PPOs), large case management, second surgical opinion, outpatient surgical and hospital bill audit programs. These programs are designed to help control plan cost.

### Reduced operational costs

- Employers find that overall administrative costs for a share-funded program incurred through BEN-E-LECT are usually lower than costs charged by a traditional insurance carrier.

### Control of Plan Design

- The employer maintains control of the plan design, including making necessary plan changes to fit the need of it's employees.

### Control over Benefit Dollars

- With Shared Funding, the employer knows where and how employer funds are spent. If medical claims for a plan year do not exceed a predetermined limit, the Employer's plan keeps those dollars and they can be used to offset the following year's expenses or reduce contribution levels for the employer and/or employees. In other words, the Employer keeps unspent dollars instead of allowing the insurance company to keep the money.

### Cost-effective claim processing

- BEN-E-LECT's success is based upon providing accurate and controlled claim processing for each employer. BEN-E-LECT helps you control your plan and its cost.

### Carrier profit margin and risk charge advantage

- Employers can lower their cost because the insurance carrier's profit margin and risk charge are eliminated for most of the plan.

### Enhanced cash flow

- Employer dollars formerly retained by the insurance carrier are available to the employer for other uses. Employers get to keep the money not spent for claims and other plan costs.



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EDHP™ series is a program of services for shared-funding employers, developed and marketed by BEN-E-LECT, a leader in providing Employer Driven Health Plans™.

All shared-funding plan administration is performed by BEN-E-LECT.

EDHP™ series is governed principally by the federal Employee Retirement Income Security Act (ERISA).

This brochure provides a general outline of the benefits available under the EDHP™ Program.

The determination of all claims for benefits under your Share-Funded plan will be determined based on the Summary Plan Description.

#### **About BEN-E-LECT**

BEN-E-LECT is the country's leading third party administrator (TPA) and an innovator of "employer driven" medical, dental and vision plans for groups as small as 2 lives. The company combines high deductible medical and dental plans with its plan administration and claims services, providing agents/brokers with a seamless, turn-key health benefits solution for their employer clients.

Founded in 1987 and headed by a team of seasoned professionals, BEN-E-LECT offers years of experience and expertise in plan administration, claims, utilization management, customer service, finance, accounting as well as marketing and sales to agents/brokers.

BEN-E-LECT is based in Visalia, California with eight regional sales offices throughout California and Colorado.

