



Tancredi Insurance Agency

**MEDICAL
BENEFITS GUIDE**

Partial Self-Funded Plan

The cost of health insurance continues to rise at alarming rates. In a time when most companies are cutting back on benefits, you have the option of maintaining the coverage that your employees deserve by exploring the new Partial Self-Funded Plan from the Tancredi Insurance Agency. The Tancredi Insurance Agency is NOT an insurance company; its agents work with leading third party administrators that for 30-plus years have helped companies such as yours more efficiently purchase quality health insurance for company employees.

So, if Tancredi Insurance Agency isn't your insurance company, then who is? We enroll each of our groups in a high deductible health plan from one of the country's leading insurance companies. By your company agreeing to pay, or self-fund, a portion of the deductibles, you will cut the costs of premiums dramatically. It is the Tancredi Insurance Agency's job to administer the plan.

Partial self-funded plans provide you with amazing benefits, but you must understand the plan to maximize its potential. This outline includes everything you need to know to get the most out of your plan. If you ever have any questions, please don't hesitate to call the Tancredi Insurance Agency.

Tancredi insurance agents are committed to providing you with superior service. If you have questions, please call the following number:

Claims/Customer Service: 949-788-1060

Our professional staff is pleased to have the opportunity to serve you.

Sincerely,

Adam Tancredi

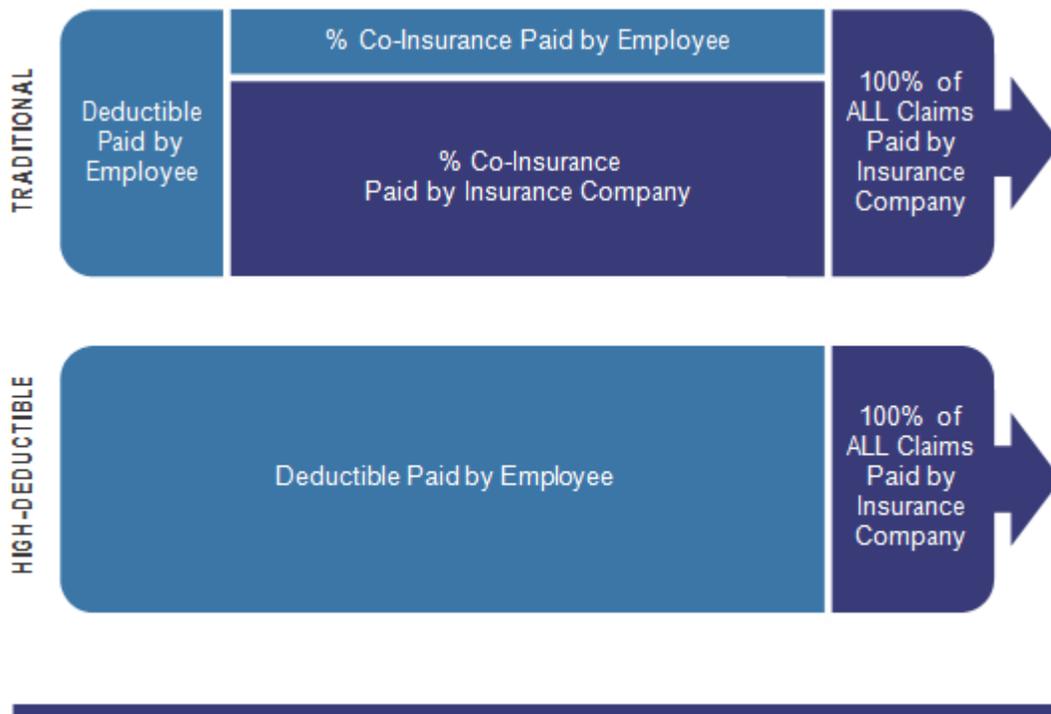
President

Tancredi Insurance Agency, LLC

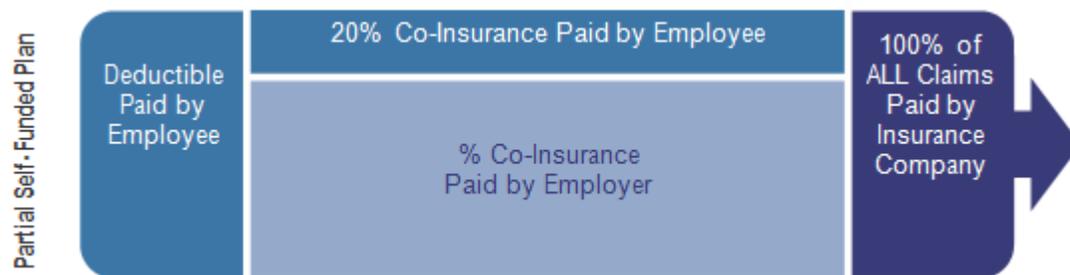
How a Partial Self-Funded Plan Works

The goal of a Partial Self-Funded Plan is to provide employees with **benefits that are better or equal** to what they had before, but **at a reduced cost**. This is achieved when the company takes on a portion of the financial risk associated with employee care.

To understand a Partial Self-Funded Plan, let's first compare a traditional health plan to a high deductible health plan.



With a Partial Self-Funded Plan, the company pays a portion of the high deductible, allowing the employee to continue receiving the benefits of a traditional plan.



Having the company take on some additional risk allows you to **reduce the cost of your health plan**, as well as offer benefits similar to, or better than, what you had before.

Employees' Responsibilities

1

Insurance Company ID card

All Partial Self-Funded Plan members (employees) will receive two ID cards, one for the Insurance Company Plan, and one for the Partial Self-Funded Plan. Whenever members go to the doctor, they **MUST** show both ID cards. The doctor will charge them the co-pay shown on the Partial Self-Funded Plan card.



2

Carrier Explanation of Benefits

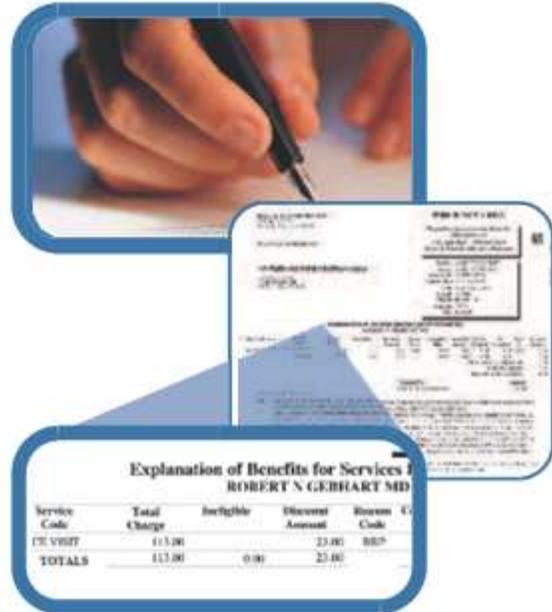
After seeing the doctor, the insurance company will send an Explanation of Benefits, or EOB, to the member.



3

Processing a Claim

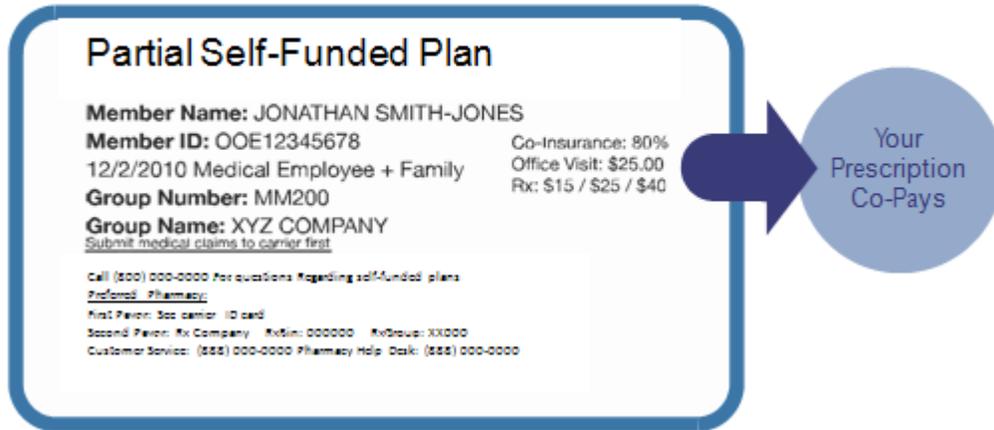
After receiving the EOB, the agency will send a check on behalf of the employer directly to the member's doctor. If a member is owed money, a check will also be sent to the member.



4

Explanation of Benefits Once a member's doctor has been paid, we send the member a receipt, which will indicate what additional amount the member may owe, if any.

How a Pharmacy Claim is Paid



Your Partial Self-Funded Plan may include pharmacy coverage, or pharmacy coverage may be built into your insurance company plan. If the Partial Self-Funded ID card says “*See Carrier ID*” in the Rx section, the employee will show only the carrier ID card to the pharmacist. If it has co-pays, the employee will follow the instructions below.

1

Show the pharmacist both ID cards.

2

The pharmacist will first transmit the prescription information to the employee’s insurance company and then to the Partial Self-Funded Plan’s pharmacy benefit manager.

3

The pharmacist will charge the employee the applicable co-pay.

If there is any confusion, the employee can show the pharmacist the detailed instructions on the back of the Partial Self-Funded ID card. If clarification is needed, the pharmacist can call the phone number on the card to reach the Partial Self-Funded Plan administrator or the pharmacy benefit manager.

If an employee is at the pharmacy and does not have their Partial Self-Funded ID card, the employee will have to pay out-of-pocket for the prescription. The employee will then need to submit their pharmacy receipt (the large receipt typically stapled to the bag) to the administrator for reimbursement.

For mail order drugs, the employee will need to submit their order through their insurance company's program. They should then submit their receipt to the Tancredi Insurance Agency for reimbursement.

How Do I Get Information to My Administrator?

After an employee sees a provider, it is the employee's responsibility to submit their EOB to the Tancredi Insurance Agency. This can be done by fax, email or postal service. You can provide your employees with an EOB cover sheet, which will include information that will help the Tancredi Insurance Agency identify and properly make payment. If no EOB cover sheet is available, the employee must include his/her name (even if it is a claim for a dependent), as well as the company name.

Frequently Asked Questions

Q: *How do employees know if a claim has been paid?*

A: Employees will know a claim has been paid after receiving their Partial Self-Funded Plan EOB.

Q: *What doctors are in the plan network?*

A: Your network of doctors is controlled by your insurance company plan. To see a list of doctors, employees can simply go to the insurance company's web site and search for a doctor. Keep in mind that while your company pays a portion of the employee's in-network deductible, most companies do not pay for out-of-network deductibles. Employees should verify the doctor's participation in the network when they call to make an appointment.

Q: *Does the company plan cover chiropractic, acupuncture, home healthcare, durable medical equipment, etc.?*

A: Each Partial Self-Funded Plan is different. Many insurance company plans allow a limited number of visits for certain services (such as chiropractic care). Partial Self-Funded Plans use your insurance company plan as a guide. If your plan allows 20 visits per year, your Partial Self-Funded Plan will cover 20 visits per year. To see what your plan covers, consult your insurance company plan documents.

Q: *What should an employee do if their doctor says they don't accept Partial Self-Funded Plans?*

A: Partial Self-Funded Plans do not contract with doctors; insurance companies contract with doctors. The employee should let their doctor know that their network is the insurance company network and that the doctor needs to charge them the co-pay on their Partial Self-Funded Plan card. The claim should then be submitted to the insurance company, as usual. For additional clarification, the doctor may call us.

Q: *What happens when an employee gets a bill from the doctor?*

A: If the employee has already submitted the EOB to us, and we have issued payment, then the doctor may be billing the employee for the balance owed. If this is the case, the employee must pay the bill. If the employee hasn't yet submitted the EOB to us, they must do so, and then wait for us to make payment. Once we have made payment, we will send the employee an EOB.

Sample Schedule of Benefits

Partial Self-Funded Plan

This is your insurance carrier high deductible plan

Summary Schedule of Benefits

custom designed for

Sample Company

Effective Date: August 1, 2009

Carrier Information

Carrier: Anthem
 Plan: High Deductible EPO \$2000
 Single Deductible: \$2,000
 Family Deductible: \$4,000

Phase One - Benefits Under the Carrier Deductible

Benefit	Paid by Employee	Paid by Employer	Paid by Insurance
Individual Deductible	\$1,500	\$0	\$0
Family Deductible	\$0	\$0	\$0
Office Visit Co-Pay		All Charges Above Co-Pay	\$0
Annual Physical Exam		\$0	All Charges Above Co-Pay
Lab & X-Ray		80%	0%
Emergency Room		80%	0%
Generic Prescriptions		Charges Above Co-Pay	\$0
Brand Prescriptions		Charges Above Co-Pay	\$0
Non-Formulary	\$40	All Charges Above Co-Pay	\$0
Brand Deductible	\$0	\$0	\$0
Outpatient Hospital - Includes hospital services, physician services, professional services, outpatient surgery, etc.	20%	80%	0%
Inpatient Hospital - Includes hospital services, physician services, professional services, etc.	20%		0%
All Other Medical Services - physical therapy, chiro, acupuncture, home health care, hospice care, durable medical, ambulance, etc. (subject to carrier limitations)	20%		0%
Total Amount Paid	Single: \$600 Family: \$1,200	Single: \$1,400 Family: \$2,800	\$0

These are the benefits that you receive prior to meeting your carrier deductible

This is the percentage of your carrier deductible that your employer pays

Phase Two - Benefits Above the Carrier Deductible

Office Visit Co-Pay	20%	0%	\$0
Annual Physical Exam	\$0	\$0	All Charges Above Co-Pay
Lab & X-Ray	20%	0%	80%
Emergency Room	20%	0%	80%
Generic Prescriptions	\$10	\$0	All Charges Above Co-Pay
Brand Prescriptions	\$25	\$0	All Charges Above Co-Pay
Non-Formulary	Not Covered	\$0	\$0
Brand Deductible	\$0	\$0	\$0
Outpatient hospital, inpatient hospital, all other medical services	20%	0%	80%
Total Amount Paid	Single: \$1,100 Family: \$1,700	\$0	All Other Charges

Phase Three - Total Out-of-Pocket Maximum

Single Phase One	\$600	\$1,400	Carrier Pays 100% of All Charges After Out-of-Pocket Maximums Have Been Met
Single Phase Two	\$1,100	\$0	
TOTAL SINGLE OUT-OF-POCKET	\$1,700	\$1,400	
Family Phase One	\$1,200	\$2,800	
Family Phase Two	\$500	\$0	
TOTAL FAMILY OUT-OF-POCKET	\$1,700	\$2,800	

*Although your insurance carrier provides an out-of-network deductible.

Med105 plans do not offer self-funding to cover your

This is the most you would ever have to pay in a year