



Innovation Health® Funding Advantage

Administrative handbook

For self-insured groups with 2–50 eligible employees.

Welcome

Thank you for choosing the Innovation Health Funding Advantage self-funded health plan. You made a great choice. Investing in the right benefits for your employees' health plans will pay off today — and tomorrow. This handbook sums up what you need as we help administer your self-insured plan. That way, you can get back to running your business as soon as possible.

Find what you need — fast

We'll show you how your self-funded plan works. You'll also learn what you need to do to comply with laws that apply.

Don't worry if you notice terms or references that don't apply to your plan. Your contracts spell out the actual terms of how we'll help administer your self-funded plan. These include:

- **Self-Funded Service Agreement**, made up of the Master Services Agreement, Statement of Available Services, Service and Fee Schedule and Appendices
- **Stop-Loss Contract**, made up of the Stop-Loss Policy and the Application for Stop-Loss

Remember, we're here to make your job a little easier. If there's anything we can do to help, just let us know.

Here's to a
great relationship



Everything you need

Online tools

Your member website has tools, programs and perks included in your self-funded health plan. It's a great resource to:

- Look up coverage
- Learn about programs that help keep members healthy
- Find doctors in our network
- Estimate the cost of care

You and your employees can sign up for the member website at **InnovationHealth.com**.

Claims mailing address

You can send your claims to: **Claims Reimbursement**
Innovation Health
Box 981106
El Paso, TX 79998-1106

Member Services

You, your employees and their families can call Member Services with questions. Just use the number on your Innovation Health® ID card and listed below.

Member Services: **1-855-330-4545**

Springboard Marketplace®

Our benefit enrollment and administration platform is available to most Innovation Health Funding Advantage customers. This platform is used to view monthly invoices and process demographic changes, terminations, life events, new hires and more.

Go to **SpringboardMarketplace.com** to get started.

Support is available at **1-100SpringboardHelpdesk@aetna.com**, or **1-855-529-1535** and select option 2 from the menu.

If you don't use Springboard Marketplace, your client manager can provide an overview of how to complete ongoing benefits administration tasks outside of Springboard Marketplace.

We're here for you

Have a question about your group plan? Just contact us. Make sure you have your group plan's account, control and suffix numbers ready. If you have questions about administering your self-funded plan or stop-loss insurance, call us at **1-855-228-0510** and we can help you.

Get the forms you need at **InnovationHealth.com**.

Billing and monthly payments

Innovation Health Funding Advantage offers a stable monthly payment and the protection of stop-loss insurance*. Plus, you can save when your group's medical costs are lower than expected. And if your costs are higher than expected, Aetna's stop-loss insurance protects you.

Every month, you pay a single amount covering all your costs for this arrangement. These include:

- Your estimated medical costs
- Our administrative fees
- Aetna's stop-loss premium
- An amount to fund medical costs after our relationship ends if you don't renew with us

We explain these costs below.

You can save if your estimated medical costs are lower than expected. Here's how:

- At the end of the contract year, we determine the plan's total medical costs
- If the total costs are less than your maximum funding, we return 50 percent of that surplus to the plan when you renew

Your monthly funding consists of four pieces:

- 1 Administrative fee**
Our fee for processing claims and the other things we do to service your account.
- 2 Claims funding**
The maximum amount of medical costs that you are responsible for in the current year.
- 3 Terminal reserve funding**
The amount we set aside to pay run-out claims after our relationship ends.
- 4 Stop-loss premium**
What you pay us to protect the plan if your total claims are higher than expected or if covered individuals have very high medical costs.

How we calculate your total monthly payment

Administrative fee + Claims funding + Terminal reserve funding + Stop-loss premium

= Total monthly payment

We figure out how much you need to pay per employee (the amount is higher if an employee enrolls as a family versus as an individual). We multiply that amount by the number of employees who sign up for coverage.

*Stop-loss insurance coverage is provided by Aetna Life Insurance Company.

Bank account and invoices

Monthly payments*

On the 25th of each month

We send you an email alert to retrieve your invoice through Springboard Marketplace. If you don't use Springboard Marketplace, we'll email your invoice to you directly. The invoice is based on how many employees are enrolled for coverage on the 17th of that month.

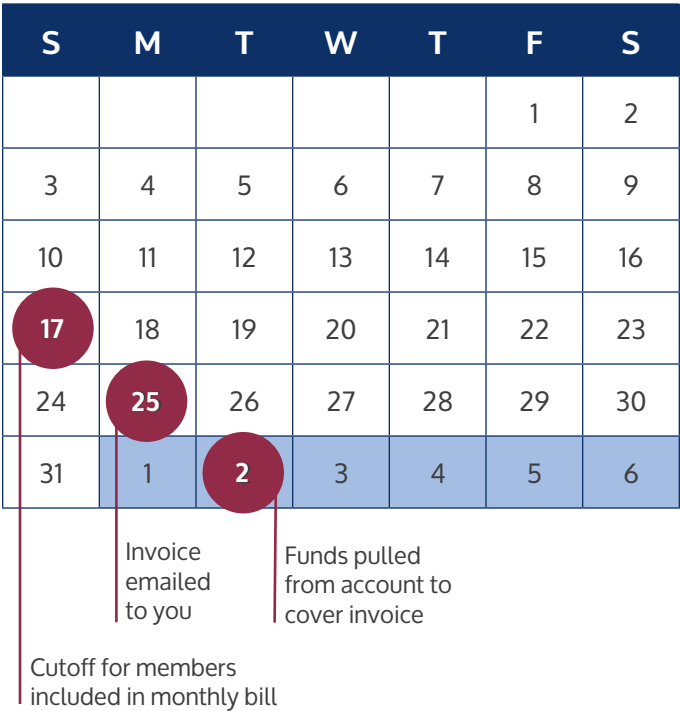
On the 2nd business day of the following month

We pull funds from your plan bank account to cover what you owe us for that month.

Note: We can't accept paper checks for premium payments.

If members join or drop coverage after the 17th of the month

The next month's statement will show changes as a retroactive adjustment to your bill.



Your invoice

You can access your invoice right in Springboard Marketplace. We send you an email every month when your invoice is viewable. You can also reference previous invoices at any time.

Don't use Springboard Marketplace? We'll email you the invoice.

We've got you covered

If we pay out more in claims than we've collected from you in any month, no worries. We'll temporarily fund the difference as long as you continue to make the payments as they become due.

At the end of the policy year, we'll also take care of you. If the total we've paid is more than total medical costs funding, your stop loss kicks in. This covers subsequent claims in accordance with the stop-loss policy.

Insufficient funds

If there aren't enough funds in the plan's bank account to pay invoices in full by the payment date:

- We have the right to immediately stop paying benefits claims
- We can terminate the Services Agreement

If we terminate the Services Agreement:

- You still owe all the money we invoiced you before we terminated
- We have the right to collect that amount immediately

Year-end accounting — surpluses and deficits



A surplus occurs if the plan’s actual medical costs total less than the expected medical costs throughout the agreement period. The final surplus is determined as part of year-end accounting. We perform this approximately 90 days after the agreement period ends.

If you renew your plan with us, we’ll keep 50 percent of the plan’s surplus. This covers our fee for servicing your account. We return the other 50 percent to you after you renew.

Note that the year-end accounting will not occur until after the agreement period has finished.

The stop-loss policy covers medical costs higher than the projected medical costs held in reserve. A deficit will never carry over to the next year.

How your stop-loss insurance works

Stop-loss insurance kicks in to help in two ways. It pays when your plan’s medical costs are higher than your maximum expected claims amount. This protects the plan against the risk that your employees in total are sicker than expected. Plus, it will pay medical claims for a single member with very high contract-year medical costs.

Year-End Accounting

| | |
|----------------------|------------------|
| Total claims funding | \$300,000 |
| Annual claims paid | (\$250,000) |
| Result | \$50,000 surplus |

Example: Surplus (renewal)



Eligibility and enrollment

Your contract documents lay out guidelines for eligibility and enrollment. We describe those guidelines below, but review your contract documents if you have any questions.



New hires and newly eligible employees

You can help new hires or newly eligible employees make informed decisions. It's easy — just give them our enrollment materials and benefits literature. This can also help prevent claims problems caused by

delayed enrollment or missing information. Here is some information you can share:

- Privacy notice
- Summary of benefits and coverage



Change in enrollment status

You must process enrollment changes in Springboard Marketplace not more than 31 days after an employee:

- Adds a dependent through marriage, birth, adoption or legal guardianship
- Drops a dependent through divorce, death or age cutoff
- Changes address, if out of area
- Changes employment status through retirement, layoff or other form of termination

The annual renewal period is the time of year when you and your employees can reevaluate your health care needs, select the plan(s) that best meets those needs and make contract changes.

In order for a newborn to be covered as a Plan Participant under your plan, a formal enrollment request must be received by Innovation Health within 31 days of the newborn's date of birth. The formal enrollment request must either be made in writing by submitting an enrollment form or be made telephonically by contacting the Aetna Answer Team for newborn enrollment. Unless a complete request is received timely using the methods specified above, the newborn will not be covered under the Innovation Health Funding Advantage guardianship. If you do not use Springboard Marketplace, you can use our enrollment and change forms on

InnovationHealth.com/en/Employers/Resources.



ID cards

We mail ID cards to participants shortly after they enroll with us. Your employees can also print their

ID cards by logging into their member website at **InnovationHealth.com**.



Prescription coverage

Many pharmacies don't accept insurance unless the member presents their member ID card. Members who haven't yet received their ID cards may still have their prescriptions filled at a participating pharmacy. Once members receive their ID cards, they can then send us copies of their prescription receipt marked

with their member ID numbers. We'll then reimburse them for the cost, minus their applicable cost share. The pharmacy directory contains a list of local participating pharmacies. Or use our online provider directory at **InnovationHealth.com**.

Legal documents, contracts and responsibilities

When selecting Innovation Health Funding Advantage, you signed a number of documents to establish your plan. Here's a summary and some definitions:

Self-Funded Service Agreement

Composed of the Master Services, Statement of Available Services, Service and Fee Schedule and Appendices.

Master Services Agreement

Outlines services provided by Innovation Health as the administrative service provider for the Innovation Health Funding Advantage product.

Stop-Loss Insurance Policy

The insurance policy that outlines your stop-loss coverage.

1095-B Reporting

On your behalf, we file and distribute the IRS 1095-B, Transmittal of Health Coverage Information Returns. This is for all of your small group Innovation Health Funding Advantage members with coverage for the previous calendar year. This service is only available to Innovation Health Funding Advantage groups with no more than 50 eligible employees. Although we assist you in preparing this form, you're responsible for the form and its contents. In using this service, you agree that any IRS risk (penalty) or issue will be the sole responsibility of the plan sponsor. Using this service is your choice. If you'd prefer not to use this service, then you can choose not to be included by contacting your client manager.

Fiduciary duties

Innovation Health serves as the claims fiduciary. That means we have final say about whether the plan covers a claim. We also help you comply with your duties under the Affordable Care Act by providing summaries of benefits and coverage that can be shared with members.

You're legally responsible for everything else. Among other things, you need to file reports with the Department of Labor and the Internal Revenue Service. You also need to give members access to their Summary Plan Description, which describes the plan's benefits.

The federal Employee Retirement Income Security Act of 1974 (ERISA) law has additional legal requirements. For more information about ERISA, visit the U.S. Department of Labor website at dol.gov/general/topic/health-plans/erisa.

Many of the requirements aren't different from a traditional fully insured arrangement. However, you should be aware there are additional reporting requirements for a self-funded benefits plan.



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