

DEFINITIONS AND DESCRIPTIONS

Medical Insurance –

Fully insured plan - A plan where the employer contracts with another organization to assume financial responsibility for the enrollees' medical claims and for all incurred administrative costs.

Self-insured plan – A plan offered by employers who directly assume the major cost of health insurance for their employees. Some self-insured plans bear the entire risk. Other self-insured employers insure against large claims by purchasing stop-loss coverage. Some self-insured employers contract with insurance carriers or third party administrators for claims processing and other administrative services; other self-insured plans are self-administered.

Preferred provider organization (PPO) plan - An indemnity plan where coverage is provided to participants through a network of selected health care providers (such as hospitals and physicians). The enrollees may go outside the network, but would incur larger costs in the form of higher deductibles, higher coinsurance rates, or non-discounted charges from the providers.

High Deductible Health Plans (HDHP) - is a health insurance plan with lower premiums and higher deductibles than a traditional health plan. Being covered by an HDHP is also a requirement for having a health savings account. Some HDHP plans also offer additional "wellness" benefits, provided before a deductible is paid. High-deductible health plans are a form of catastrophic coverage, intended to cover for catastrophic illnesses. Participation in a qualifying HDHP is a requirement for health savings accounts and other tax-advantaged programs.

Health Savings Account

Health savings accounts (HSA) – Savings accounts designated for out-of-pocket medical expenses. In an HSA, employers and individuals are allowed to contribute to a savings account on a pre-tax basis and carry over the unused funds at the end of the year. One major difference between a Flexible Spending Account (FSA) and a Health Savings Account (HSA) is the ability under an HSA to carry over the unused funds for use in a future year, instead of losing unused funds at the end of the year. Most HSAs allow unused balances and earnings to accumulate. Unlike FSAs, most HSAs are combined with a high deductible or catastrophic health insurance plan.

Flexible Benefit Plan design options –

Flexible spending accounts or arrangements (FSA) - Accounts offered and

administered by employers that provide a way for employees to set aside, out of their paycheck, pretax dollars to pay for the employee's share of insurance premiums or medical expenses not covered by the employer's health plan. The employer may also make contributions to a FSA. Typically, benefits or cash must be used within the given benefit year or the employee loses the money. Flexible spending accounts can also be provided to cover childcare expenses, but those accounts must be established separately from medical FSAs.

Dental Insurance - is designed to pay a portion of the costs associated with dental care. There are several different types of individual, family, or group dental insurance plans grouped into three primary categories: (1) Indemnity (generally called: dental insurance) that allows you to see any dentist you want who accepts this type of coverage; (2) Preferred Provider Network dental plans (PPO); and (3) Dental Health Managed Organizations (DHMO) in which you are assigned or select an in-network dentist and/or in-network dental office and use the dental benefits in that network.

Generally dental offices have a fee schedule, or a list of prices for the dental services or procedures they offer. Dental insurance companies have similar fee schedules which is generally based on Usual and Customary dental services, an average of fees in your area. The fee schedule is commonly used as the transactional instrument between the insurance company, dental office and/or dentist, and the consumer.

Dental insurance companies divide benefits, services, or procedures into categories and refer to them with American Dental Association (ADA) 3-4 digit code. Basic procedures often include fillings, periodontics, endodontics, and oral surgery. Major procedures often are crowns, dentures, and implants. Procedures such as periodontics, endodontics, and oral surgery may fall into the Major category depending on your specific plan with specific fee schedules and co-payments.

Vision Insurance - is a form of insurance that provides coverage for the services rendered by eye care professionals such as ophthalmologists and optometrists. There are many vision insurance companies. The typical vision insurance plan provides yearly coverage for eye examinations and partial or full coverage eyeglasses, sunglasses, and contact lenses, with or without copays, depending on the plan chosen.

Term Life Insurance - is life insurance which provides coverage at a fixed rate of payments for a limited period of time. These plans can be either employer paid with a set maximum amount of coverage or offered on a voluntary basis whereby the employee can purchase for themselves with the option of spousal and dependent coverage.

Disability Insurance often called **DI** or **disability income insurance**, is a form of insurance that insures the beneficiary's earned income against the risk that a disability creates a barrier for a worker to complete the core functions of their work. For example the inability to maintain composure as with psychological disorders or an injury, illness or condition that causes physical

impairment or incapacity to work. It encompasses paid sick leave, short-term disability benefits, and long-term disability benefits.

Section 125, Cafeteria Plans

Flexible benefits plan (Cafeteria plan) (IRS 125 Plan) – A benefit program under Section 125 of the Internal Revenue Code that offers employees a choice between permissible taxable benefits, including cash, and nontaxable benefits such as life and health insurance, vacations, retirement plans and child care. Although a common core of benefits may be required, the employee can determine how his or her remaining benefit dollars are to be allocated for each type of benefit from the total amount promised by the employer. Sometimes employee contributions may be made for additional coverage.

Wellness Programs -

The most successful wellness programs are tailored to the group specifically and build on the strengths of the employees, while focusing heavily on the areas that need the most improvement. We work to understand first what your group is looking for and what has been tried (successfully and not so successfully) in the past – and then partner with you to design a program specifically for your group.

The high success rates have been seen in the groups that implement an incentivized, rewards-based program. As much as employers are looking for a return on investment, employees are as well.

We work with you to integrate additional wellness awareness into your workplace. Topics like; Smoke Cessation, Stress Management, Healthy Food of the Month, Healthy recipes boards or even lunch and learns can be integrated into your program. We can offer:

- Multi-Faceted HIPAA Compliant Wellness Portal with self directed healthy lifestyle initiatives.
- One on One Health Coaching
- 24 Hour online access to Physicians, Dentists, Nutritionist, Mental Health Counselors and Personal Trainers.
- Team challenges, interactive education, and monthly initiatives all supported by My Benefits Channel