

All Savers



## All Savers Motion Alternate Funding

*Small Business Self-Insured  
Health Plans*



# For Your Small Business

## *Plans that don't break the bank*

The **number-one concern** for small-business owners is the cost of health care.<sup>1</sup> So, All Savers Motion Alternate Funding plans were built with your small business in mind. They're intended to help save you money – and help your employees get more out of their plan, too.

Did you know that 60 percent of small-business employees spend less than \$1,500 a year on health care?<sup>2</sup> It's often for things like ear infections, broken bones, or routine checkups. But since those employees don't meet their deductibles, they end up covering their medical costs out of their own pocket year after year. All Savers Motion Alternate Funding plans are different.

## *Incentives for employees*

These plans were designed to **help members get more active** and to help **pay for everyday health care, too**. As little as 30 minutes of activity per day can greatly reduce the risk of disease, and an hour per day is even better.<sup>3</sup> With All Savers Motion, every enrolled employee and covered spouse can earn daily rewards for being active with Hat Trick Motion™, an activity-based wellness program. The awards, called motion credits, which members earn accumulate and can reimburse members for many everyday medical expenses. Individuals should consult with their doctor before significantly increasing their physical activity.

## *A different kind of plan*

All Savers Alternate Funding is a self-funded health plan designed specifically for small businesses. It includes three parts:

1. Your **self-funded medical plan**, which pays covered medical expenses of your employees and their dependents.
2. A **third-party administration agreement** between you and United HealthCare Services, Inc. for claims processing, billing, customer service, and other administrative services.
3. A **stop-loss insurance policy** by All Savers Insurance Company. Stop-loss insurance protects the plan from large catastrophic claims by an individual covered member, and provides overall protection in the event that all claim payments made under the medical plan exceed a certain dollar limit.

Why would you want a self-funded health plan? Because you'll pay lower premium taxes throughout the year, your plan won't be subject to state mandates, and you'll actually have the chance to get some money back at the end of the year.

Keep reading to learn more about what you and your employees will get with an All Savers Alternate Funding plan.

<sup>1</sup>Robert Wood Johnson Foundation, Small Business Research, 2008; National Foundation for Independent Business study, 2012.

<sup>2</sup>Based on a national sample of UnitedHealthcare small-business claims data for fully insured plans from March 1, 2010 to February 28, 2011.

<sup>3</sup>World Health Organization, Global Recommendations on Physical Activity for Health, 18-64 years old. 2013.

# What Do Employees Get?

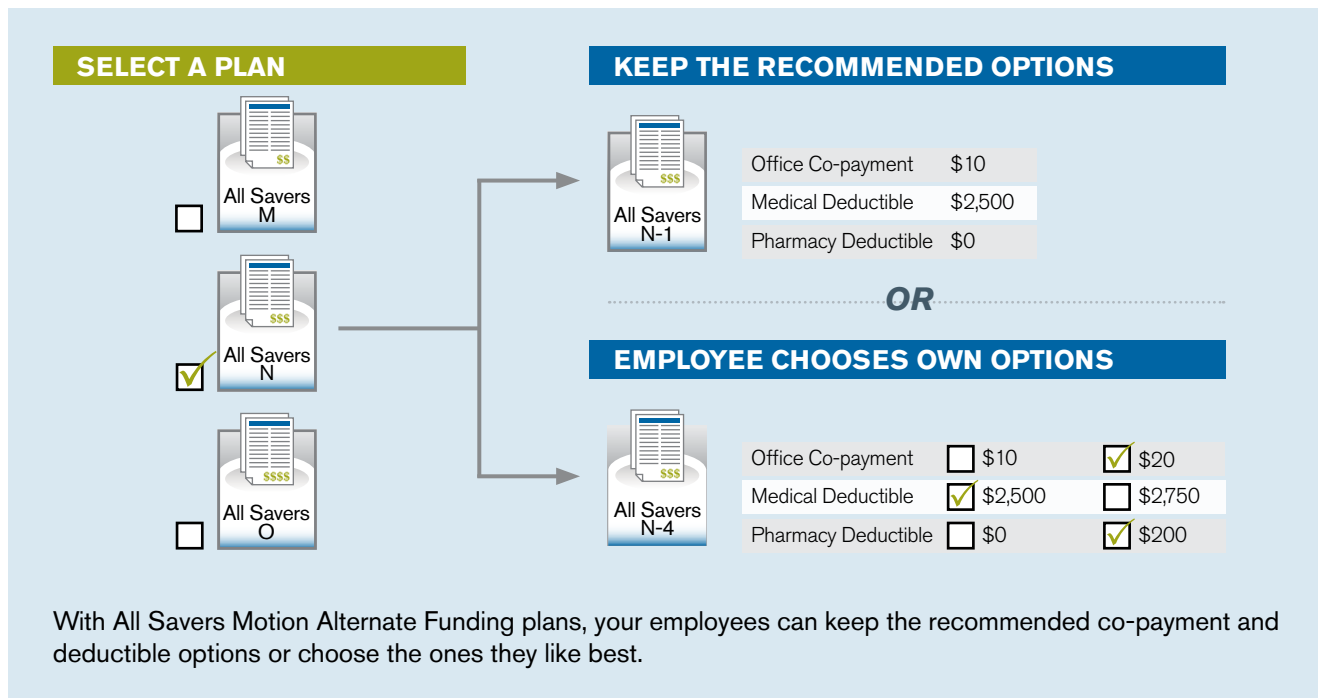
## Earn rewards by staying active

Every covered employee and covered spouse is eligible to participate in Hat Trick Motion to earn a motion credit of up to \$4 per day by meeting daily activity goals (up to an annual limit of \$1,000). Motion credit funds can help lower out-of-pocket costs by reimbursing employees for certain covered medical expenses even if they have not yet met their deductible. Expenses like X-rays, lab work, diagnostic tests, and inpatient hospital stays for any covered family member could be reimbursed (preventive exams are already covered at 100%). Reimbursements are calculated quarterly based on the previous quarter's activity and medical expenses.

## Plan options that are right for them

Do employees want lower co-payments, a lower deductible, or a lower pharmacy deductible? No problem – it's their choice. With All Savers products, your employees can keep your recommended options or **they can choose** their own options, and it won't affect your company's monthly payment. Not a single dime.

It only takes a few minutes for employees to choose their own co-payment and deductible options on the All Savers website.



## Prescription drugs, minus the headaches

The pharmacy benefit has low deductibles (as low as zero dollars). And once covered members meet the pharmacy deductible, they'll only cover the co-payments for the rest of the calendar year.

# Stay Active to Earn Motion Credit

All Savers Motion plans offer employees and covered spouses the chance to earn daily rewards for staying active. Members participate in Hat Trick Motion and earn money (up to an annual limit of \$1,000) every time they meet a daily walking goal. Hat Trick Motion provides participants with a Trio™ activity tracker to measure their activity. The money members earn adds up over time, and can reimburse employees for eligible medical expenses for any covered family member (even if they haven't met their deductible).

The three daily walking goals are:

Frequency	Six 5-minute walks per day*	\$1
Intensity	3,000 steps in 30 minutes, once per day	\$1
Tenacity	at 10,000 steps or more in one day	\$2
	at 8,000 steps or more in one day	\$1
Total		up to \$4 per day

\*Walks must be a minimum of 300 steps in 5 minutes. Walks must be at least an hour apart.



Employees and covered spouses can check their progress online at [www.hattrickmotion.com](http://www.hattrickmotion.com) any time. They'll see daily, monthly, and annual activity charts and money earned during the year.

Employees are only reimbursed for the eligible covered medical expenses of their family members. For example, if an employee earned \$650 of motion credit funds and had \$1,000 of eligible covered expenses, the employee would receive a \$650 reimbursement.

Reimbursements are calculated quarterly based on the previous quarter's activity and medical expenses. The employee will receive their reimbursement in the form of a check.

The motion credit resets each calendar year. Employees and covered spouses can earn up to \$1,000 each year. Credits earned will be carried over until March 1 to cover claims through the end of the previous year. If a member is unable to meet the daily activity goals, the member might qualify for an opportunity to earn the motion credit by a different means. We will work with the member (and, if necessary, with the member's doctor) to find another way to earn the motion credit. Contact us at [myallsaversinfo@UnitedHealthOne.com](mailto:myallsaversinfo@UnitedHealthOne.com) to learn more.

# Illustration of Costs and Payments

## Example 1\*

Now let's look at the whole picture – how the motion credit works with the rest of the plan coverage. Sara chose a plan option with a higher co-payment, deductible, and pharmacy deductible. The table below shows how her medical and pharmacy expenses were paid.

She also earned \$800 of motion credit funds over the course of the year. The \$550 of expenses that applied to her medical deductible is eligible for reimbursement from the motion credit she earned. Her total out-of-pocket cost for the year for medical and pharmacy expenses, as a result, was \$260.

Medical	Cost	Co-payment (\$20)	Deductible (\$2,750)	Plan Pays	Motion Credit Reimbursement
Annual checkup (preventive)	\$200	–	–	\$200	–
Exam of skin lesion (office visit)	\$100	\$20	–	\$80	–
Biopsy and removal of skin lesion	\$550	–	\$550	–	\$550
<b>Totals</b>	<b>\$850</b>	<b>\$20</b>	<b>\$550</b>	<b>\$280</b>	<b>\$550</b>

Pharmacy	Cost	Deductible (\$200)	Co-payment	Plan Pays
Tier 1 prescription	\$5	\$5	–	–
Tier 3 prescription	\$300	\$195	\$40	\$65
<b>Totals</b>	<b>\$305</b>	<b>\$200</b>	<b>\$40</b>	<b>\$65</b>

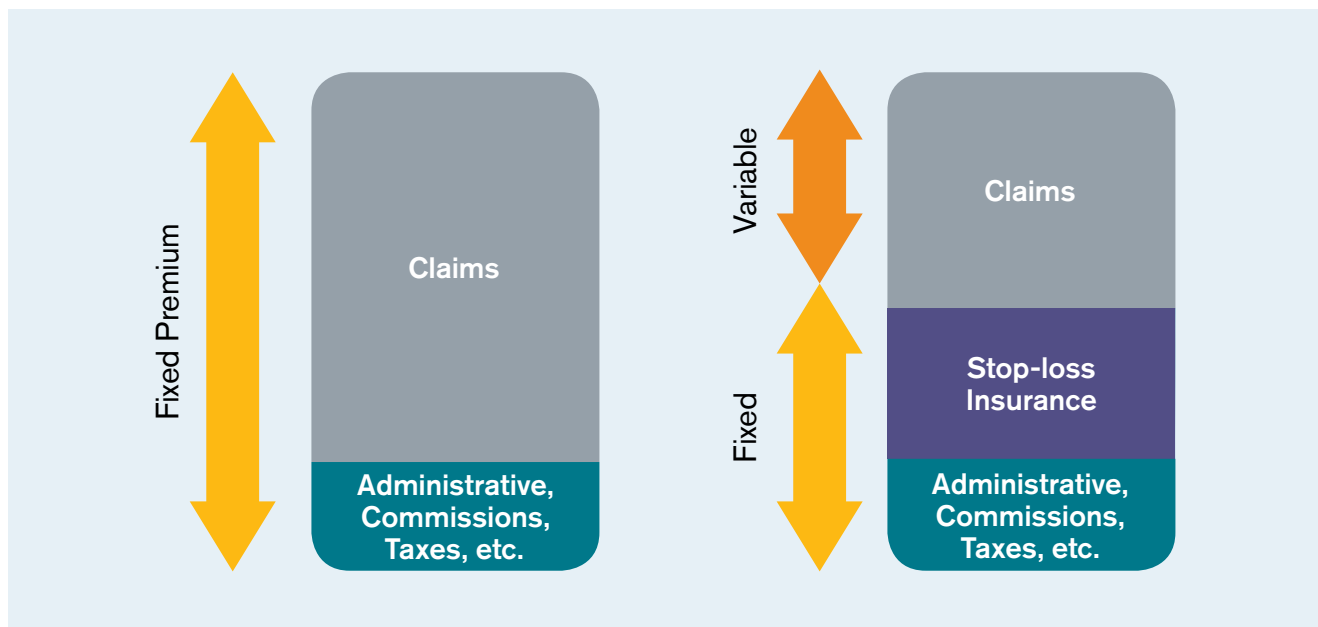
\* The example is for network services and is for illustration purposes only. It does not represent real persons or events.

# How Does Alternate Funding Work?

## *Traditional insurance is a fixed cost*

With traditional plans, a small business pays a fixed premium to the insurance company, and then the insurance company pays the health care claims as well as the administrative costs, sales commissions, and taxes.

If the actual health care claims are higher than expected, the insurance company covers them. But if the claims are lower than expected, the insurance company keeps the difference. This means your company doesn't get anything back if your employees have lower-than-expected claims.



## *All Savers Alternate Funding plans are different*

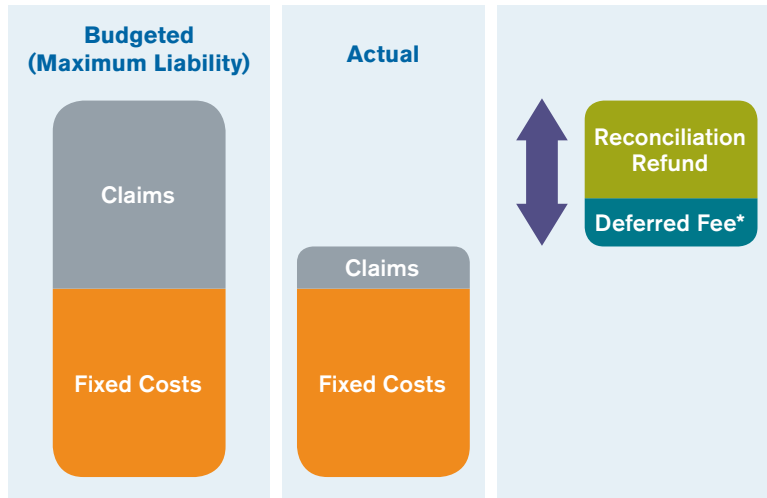
With All Savers Alternate Funding, if the actual health care claims are lower than expected, your plan shares in the savings with some money back at the end of the year. And if the claims are higher than expected, your stop-loss insurance policy covers them.

Here are a few additional benefits of an Alternate Funding self-funded plan:

- ▶ The plan is a “level-funded” plan, so your company will make the same monthly payment throughout the plan year. And you won't have to pay any more at the end of the plan year, even if you have high claims costs.
- ▶ Self-funded medical plans are not subject to most state insurance mandates or state insurance-premium taxes, which can mean lower costs throughout the year. (However, stop-loss coverage is still subject to premium tax.)

## Best case: Low claims

Your company's monthly payments include the estimated health care claims plus the fixed cost items (administrative fees and stop-loss insurance premium). This is called your plan's "maximum liability," which means you won't get stuck at the end of the year with any additional costs.



Part of your monthly payments will go into an account that pays for your employees' eligible claims. At the end of the year, the monthly payments will be compared with the actual costs. In the best-case scenario, the actual claims costs for the year would be less than what was estimated, which means your plan would have a surplus.

After plan reconciliation, two-thirds of any surplus is sent back to your plan to use for the following year, and one-third is kept as a deferred administrative fee (where allowed by state law).

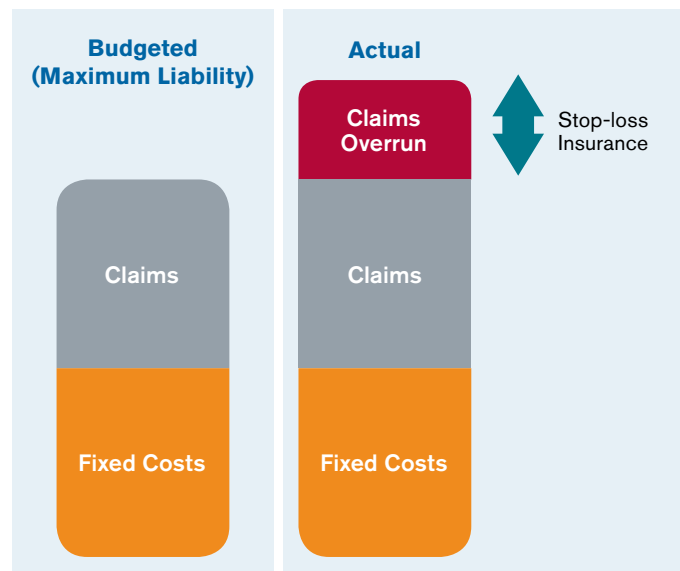
\*where allowed by state law

## Worst case: High claims

In the worst-case scenario, the actual claims would be higher than expected. But because your plan would have already paid the maximum liability, you won't pay more at the end of the plan year.

Your plan is protected by the stop-loss insurance that is already built into your monthly payments.

Of course, each year will be somewhere between the worst case and best case. But in any case, many small businesses could save with an All Savers Alternative Funding plan.



# Benefit Highlights

This table outlines how different kinds of eligible services are reimbursed. The options your employees choose will determine their actual co-payments, deductibles, and co-insurance amounts.

Services	Network			Non-Network		
	Co-payment	Deductible	Co-insurance	Co-payment	Deductible	Co-insurance
<b>Preventive</b> ▶ Wellness Visits ▶ Immunizations ▶ Routine Screenings	–	–	100%			
<b>Co-payments</b> ▶ Level 1: Physician Visit ▶ Level 2: Urgent Care Center ▶ Level 3: ER Visit	\$10 – \$40 \$75 – \$125 \$250 – \$350	–	100%			
<b>No Co-payment</b> ▶ Minor Lab Work ▶ Major Diagnostics (CT Scan, MRI, etc.) ▶ Inpatient Services ▶ Outpatient Services ▶ Ambulance (Air/Ground) ▶ Many other services ▶ Transplant ▶ Skilled Nursing ▶ Home Health Care ▶ Rehab ▶ Prosthetics ▶ Durable Medical Equipment	–	\$2,000 to \$4,000 (individual) \$4,000 to \$8,000 (family)	50/50 to 85/15	–	\$4,000 to \$8,000 (individual) \$8,000 to \$16,000 (family)	50/50 to 85/15
<b>Pharmacy Tiers 1–3</b> ▶ Tier 1: Lowest-cost ▶ Tier 2: Mid-cost ▶ Tier 3: Mostly brand-name	\$10 \$20 – \$40 \$40 – \$80	\$0 to \$200	100%		–	
<b>Pharmacy Tier 4</b> ▶ Tier 4: Highest-cost drugs	–		70/30			

\* If an ER patient is admitted into the hospital, it is counted as inpatient or outpatient services under the No Co-payment section.



These employee benefit products are marketed under the All Savers brand. Excess-loss insurance coverage is provided by All Savers Insurance Company, a UnitedHealthcare company. The underlying medical benefit is not an insured product. Administrative services are provided to the plan sponsor by United HealthCare Services, Inc., and its affiliates.

This product is not available in all states.