



# Product Brochure

Healthcare Highways TrueChoice™ level-funded plan.

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# Savings, plan control, predictable payments, and a potential refund? That's why HCH TrueChoice™ is a great choice!

Are you paying an insurer a fixed monthly amount for your benefits, but not being rewarded for lower claims? Are you looking for ways to not only control claims cost, but also save money on your plan?

HCH TrueChoice was developed as a differentiator in the mid-market employer space, providing peace of mind, potential surplus return, and most importantly, upfront savings through carefully designed, curated networks.

With HCH TrueChoice, you pay a fixed monthly amount for your employees' medical benefits—which covers claims, fees, and stop-loss coverage to cap your exposure. Then, six months after year-end, any unused money in your claim fund is shared with you at 50%. You're gaining peace of mind knowing you won't be liable for unexpected costs. Also, you'll be eligible for a return if you and your employees have a healthy year, benefiting from HCH market-leading contracts and Total Cost of Care model.

The bottom line? A fully insured plan is only benefiting your insurer's bottom line through increased premium rates year over year. With HCH TrueChoice, you're eligible for upfront savings, and reduced claims can reward your bottom line.

## A health plan that gives employers savings and a greater reward.

HCH TrueChoice is unique. Designed to fit the mid-market employer, this plan benefits employers with 51-500 covered employee lives. HCH TrueChoice is built around a strategically designed network, with access to top-quality providers and hospitals at a significantly lower cost. In addition, through the HCH Total Cost of Care model, employees receive the care that they need, improving overall quality of life while reducing costs.

Do you feel you're paying too much for too few benefits? Are you getting money back from your insurer for having a healthy population with lower claims? Are you thinking about moving from fully insured to self-funding, but want to limit your cost volatility?

You need a powerful plan with the right tools and support services in place so that your plan feels personal to you and your employees' needs. You need a plan that provides savings, keeps costs stable, and makes a refund a reality. That's why HCH TrueChoice is the right choice!

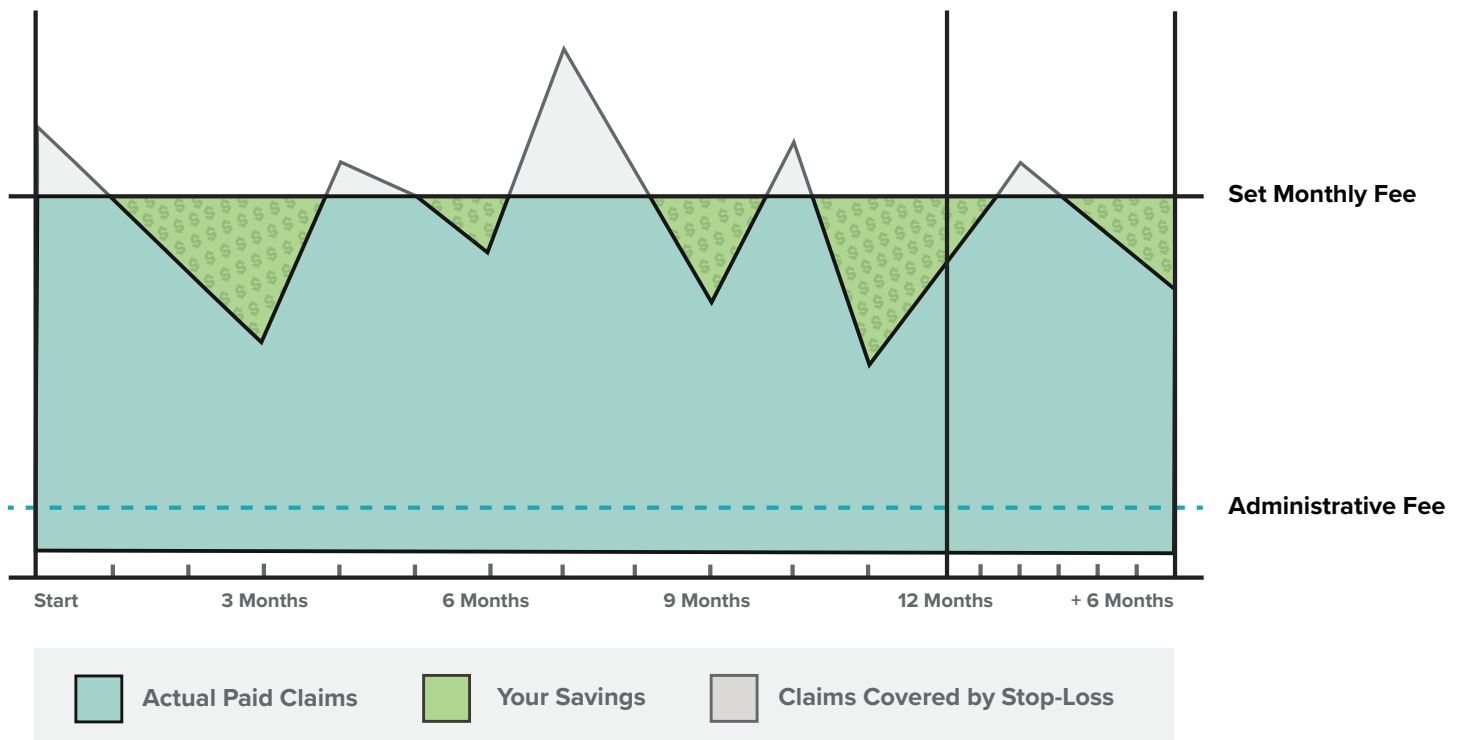
## A high-level look at how the HCH TrueChoice™ level-funded plan works.

With HCH TrueChoice, employers pay a fixed monthly amount that funds claims below the plan's stop-loss coverage level. When a plan year runs better than expected, employers receive a refund. For large claims above the monthly exposure level, the

stop-loss coverage kicks in to cover the employers' excess claims costs.

The monthly payment would cover an employer's fixed costs: the stop-loss insurance, administrative fees, and 1/12<sup>th</sup> of the maximum annual claims liability. And with HCH TrueChoice, you're not subject to recouped deficit costs if claims go past your maximum contribution.

After the six-month run-out period, 50% of the unused dollars remaining in your claim fund are refunded to you.



With HCH TrueChoice™, reduced claims can reward your bottom line.

# What are the HCH TrueChoice™ plan options?

For 10 years, Healthcare Highways has created innovative, high-performance health plans that put choice and greater competition in the healthcare market to work for you. Our goals align with yours—we want to help you save money, compete for talent, drive better outcomes, and control costs. We designed our plans to maximize care for your employees by directing them to our curated network of providers.

HCH TrueChoice offers multiple PPO options as well as high-deductible plan options. Our plans include various copay options, deductibles, and co-insurance configurations. The HCH TrueChoice plans are centered around steerage toward our high-value network, Sync, that consists of our leading provider partners in the state of Texas.

In addition, HCH TrueChoice will offer a side-by-side broad network buy-up plan that gives members the option for broader network coverage if needed.

## A network built on performance.

Sync, HCH TrueChoice's high-performance network, is a curated network focused on quality through financial alignment with providers. This alignment increases efficiency and improves patient health outcomes. HCH selectively limits hospital partners based on quality metrics related to patient safety, patient outcomes, and patient satisfaction.

## Enhanced benefits for your valued employees.

Healthcare can be confusing, but with HCH TrueChoice's enhanced member benefits, qualifying employees have the support they need to improve their overall health and well-being.

HCH TrueChoice also offers member benefits that benefit all employees, including telehealth, so employees have access to provider care from home, the office, or on the go.

Savings, plan control, predictable payments, and potential refund – all through HCH TrueChoice™.

# By the numbers: Why HCH TrueChoice™ is an easy choice.

1.

Between 1999 and 2021, the percentage of public and private sector workers covered by a self-funded health plan increased from 44% to 64%.

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2.

In 2020, 31% of covered workers in small firms were in a plan that was either self-funded or level funded -- higher than the 24% registered in 2019.

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3.

42% of small firms in 2021 reported that they have a level-funded plan, compared to just 7% two years ago.

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4.

In 2021, 64% of covered workers in firms with three or more employees were in partially or entirely self-funded plans.

Source: KFF Employer Health Benefits Survey, 2021

# The basics:

- HCH TrueChoice includes a strong network that delivers higher quality and lower cost of care, while providing upfront savings.
- With HCH TrueChoice, claims are paid from the claim funding portion of the monthly cost for claims below the plan's stop-loss coverage level. When a plan year runs better than expected, employers receive a refund. For large claims above the monthly exposure level, the stop-loss coverage kicks in to cover the employers' excess claims costs.
- 50% of the surplus is paid after an six-month run-out period. The only time the surplus will not be returned is if the contract is not renewed.
- Surplus payments can be credited to future invoices or paid by check.

## HCH TrueChoice Level-Funded Plan Year-end **Accounting Illustration**

	Claims are lower than expected	Claims are higher than expected
Admin and other fees	\$240,000	\$240,000
Stop-loss premium	\$450,000	\$450,000
Claims funding	\$1,485,000	\$1,485,000
<b>Total initial spend</b>	<b>\$2,175,000</b>	<b>\$2,175,000</b>
Actual claims paid	\$1,080,000	\$1,620,000
<b>Surplus</b>	<b>\$405,000</b>	<b>\$0</b>
<b>Surplus credit</b>	<b>\$202,500</b>	<b>\$0</b>

**Result:**

The employer shares in 50%\* (1/2) of the balance after the six-month run-out period.

*\*The shared amount (shown here as 50%) may vary based on different percentage agreements.*

**Result:**

No penalty to the employer. Stop-loss covers the difference. Total spend remains the same as the initial spend.

# HCH TrueChoice™ facts and FAQs

## Key definitions with the HCH TrueChoice™ plan:

### Claim fund

With level funding, you'll never pay more than the maximum claim cost for the plan year. Each month, you pay 1/12<sup>th</sup> of your maximum annual claim cost into your claim fund. After you've paid this set amount each month, there are no other charges for claim payments. Aggregate stop-loss begins after your maximum claim cost. Once all claims have been paid for the plan year, any unused dollars in the claim fund are shared with you 50/50 as a refund.

### Specific stop-loss coverage

Coverage put in place to protect the plan. Stop-loss coverage pays when the claims for any one person (employee or dependent) exceed a set dollar limit during the plan year.

### Aggregate stop-loss coverage

Pays when overall claims for your group exceed a set dollar limit during the plan year. This is the ultimate protection that allows your maximum cost to be known and locked in for the year.

### Administrative fees

These are the costs that you pay for the administration of your group's health plan, member benefits, and

network access. Additionally, your agent is compensated from these costs for their role in helping you tailor your plan, managing plan enrollment, and servicing your ongoing plan.

## How much of the unused money in our claim fund comes back to us?

The way HCH TrueChoice is structured, there will be a surplus calculation, then any unused dollars in the claim fund are shared 50/50 with you and Healthcare Highways.

## How are the HCH TrueChoice™ plan costs determined?

The pre-set monthly rates, which include administration, stop-loss, and claim liability are based on the group/census demographics, as well as the benefits, plan design, and historical claim experience.

## Will the money back be a rebate or credit towards the next year?

Typically, this is paid as a credit against a future bill, but the option is yours.

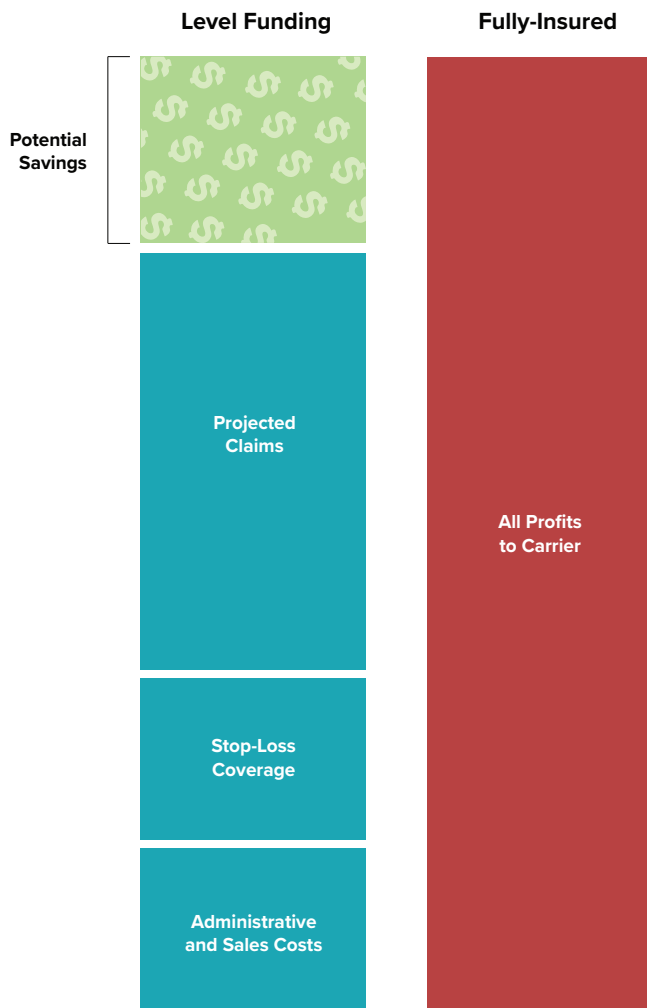


## For employers, how is the monthly cost for HCH TrueChoice™ determined?

It is underwritten based on your group's claim experience, census, and plan design. The annual cost is broken down into equal payments over twelve months.

## How is the cost to employees determined?

It's determined by adding together administrative fees, stop-loss premiums, and the maximum claims by each tier.



## Can we choose our plan coverage and budget with HCH TrueChoice™?

The HCH TrueChoice plan features a variety of benefit options. We will work with you to choose the plan that fits best for your company and employee needs.

## What member benefits are part of the HCH TrueChoice™ plan?

Healthcare Highways has a variety of value-add, member-focused services available with TrueChoice.

HCH TrueChoice includes proven benefits that improve health outcomes for those that need it most, like comprehensive chronic kidney disease risk management, and telehealth—convenient provider care 24/7 and on the go.

We also make sure your members are cared for outside the doctor's office with an exceptional Customer Experience Team, and by providing your human resources team with the technology and tools—like a dedicated portal—to check claims and eligibility.

## Savings, plan control, predictable payments, and a potential refund. That's HCH TrueChoice™.

If you want upfront savings, the choice of better plan control, the choice of predictable payments that don't exceed your maximum monthly costs, and the choice for a potential refund of your unspent claims dollars... your choice is the HCH TrueChoice level-funded plan.

## Let's review your current plan to help you make the right choice.

Spend a few minutes with one of our health plan experts to see if HCH TrueChoice is the right plan for you. You can email our team at

**sales@healthcarehighways.com** or call us at **866-945-2292** to set up a time to talk.



# Healthcare Highways®

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