



Consumer-Directed Health Programs *for self-funded health benefits programs*



**Independence
Administrators**

Flexibility and Control for Cost Savings and Improved Health

Self-funding and consumer-directed health programs combine to help you empower your members and control rising health care costs.

Independence Administrators

supports plan members in increasing their knowledge to become better informed health care decision makers.

We offer organizations the flexibility and consultative expertise to design and implement the program that best fits their needs and goals.

KNOWLEDGE • INNOVATION • PERFORMANCE • VALUE[®]

Consumer-Directed Health Programs

Flexibility and Control for Cost Savings and Improved Health

How can you control your health care costs and empower your employees?

Make Independence Administrators the single solution for your self-funded health care program.

Empower — Deliver the health care solution that is best suited for your organization, giving your plan members the control to determine which options best match their personal goals and empowering them to use their health care dollars wisely.

Inform — You and your plan members can utilize our consumer-directed health program tools and services to become better informed health care consumers.

Engage — Motivate plan members to proactively improve overall health by increasing participation in wellness programs, preventive care, and compliance with health care treatment.

Effective health plan cost management occurs when the administrator, plan sponsor, and plan members work together to control health plan utilization. Our integrated program services are designed to optimize benefits dollars by delivering valuable tools and resources to empower members to become better-informed health care consumers.

ADVANTAGES FOR EMPLOYEES

- tax advantage by reducing taxable income
- financial power to control costs
- increased knowledge to make informed decisions
- access to quality care
- convenient access with debit cards, direct deposit, and HRA payments sent directly to providers

ADVANTAGES FOR PLAN SPONSORS

- tax advantage on payroll taxes
- flexibility of plan design
- simplified implementation and management
- reduced health benefits costs
- shared cost and decision-making responsibility with your employees



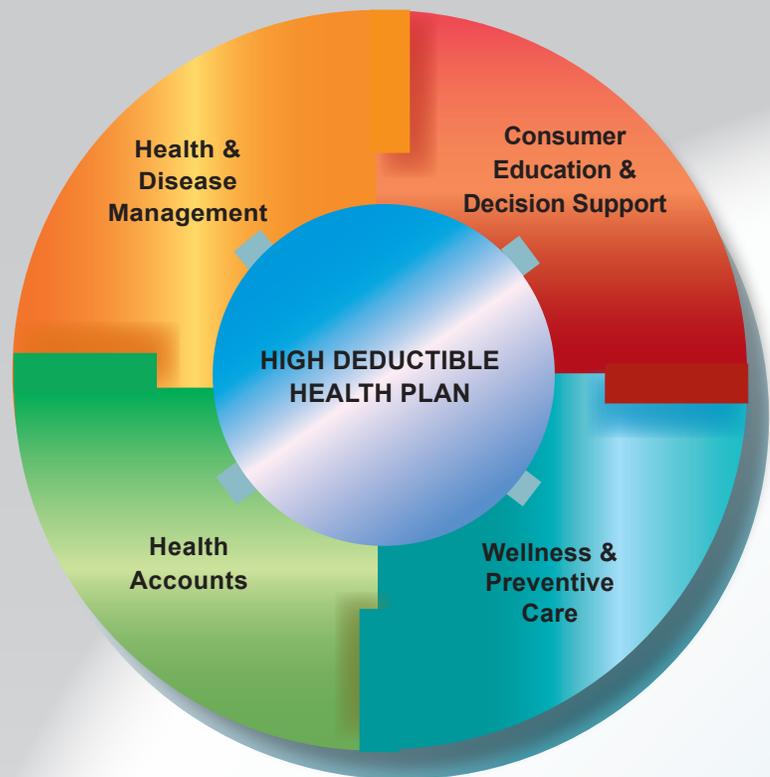
EMPOWER EMPLOYEES, PROTECT AGAINST HEALTH CARE COSTS SURGES

Independence Administrators offers a variety of integrated consumer-directed health benefits program designs. We will work with you to create a consumer-directed health program that empowers your members to become engaged health care consumers, and ultimately **support a healthier workforce and optimize your health plan costs**.

HIGH DEDUCTIBLE HEALTH PLAN

The foundation of the consumer-directed health program strategy is the medical plan. The plans administered by Independence Administrators allow you to take advantage of the benefits of self-funding including flexible plan design; simple, integrated implementation; manage risk and maximize return; manage cash flow with our funding options; and access discounts through extensive coverage networks.

We make it *easy to manage your health care plan* with **single-source** administration, **combined** explanations of benefits, **integrated** medical and FSA/HRA claim processing, **comprehensive** management reporting, and more.



CDHP COMPONENTS FOR AN INTEGRATED SELF-FUNDED PROGRAM

- self-funded health benefits plan
- stop-loss placement and administration
- prescription programs
- dental and vision programs
- member communications and education
- electronic enrollment
- COBRA and HIPAA administration
- Medicare Part D support
- claims fiduciary

HEALTH ACCOUNTS WITH CONVENIENCE

We make consumer-directed health accounts easy for your participants:

- set aside pretax dollars for future medical, retirement, or long term care expenses
- access funds using debit card or direct deposit
- HRA payments sent directly to providers
- auto-processing available for medical claims
- secure, online account management and tools
- health resources and tools that motivate participants to shop wisely and choose health care solutions with confidence

HEALTH ACCOUNTS

Flexible Spending Account (FSA) with easy access to funds

FSAs enable plan participants to set aside pre-tax dollars to pay for expenses and services not covered by traditional benefits programs while simultaneously reducing payroll taxes for the plan sponsor.

We offer medical FSAs, dependent care FSAs, plus parking and transit accounts.

Health Reimbursement Arrangement (HRA) with automatic payments

An HRA is funded only by the plan sponsor designed to motivate participants to take an ownership role in managing health care spending, within parameters established by the plan sponsor.

You can fund a tax-advantaged HRA that is custom-designed to accommodate reimbursement of deductibles, coinsurance, copayments, and other eligible expenses at your discretion. We can also arrange for HRA payments to be sent directly to providers.

Health Savings Accounts (HSA) with a preferred banking arrangement

An HSA account is owned by the plan member but can be funded by either the plan sponsor or participant to help pay for current and future medical expenses. Unused funds can accumulate to pay for future medical expenses and the account moves with the participant if he/she changes jobs.

HSAs must be offered in conjunction with an HSA-qualified high deductible health plan. We design and administer HSA-compliant high deductible health plans and we offer a preferred banking arrangement with The Bancorp Bank, an independent company.

Health Accounts

- HRA automatically pays 20% of the bill
- HSA allows plan members to take 20% of allowable expenses
- FSA allows members to pay using the FSA debit card or obtain reimbursement

EXAMPLE: Your plan member goes to the Emergency Room



Health Benefits Plan pays 80%

Plan member can use a Health Account to pay remaining 20%

WELLNESS & PREVENTIVE CARE

Wellness & Preventive Care programs are designed to improve the overall health of your organization and can help reduce claims costs.

Accurate identification of primary risk factors is critical. We offer innovative programs that can determine the health risks among your workforce. This information can be used to identify which wellness initiatives can bring the most value to your organization.

Integrated Health Risk Assessments offered in web-based or paper-based formats that will provide you with the scoring, risk identification, and stratification information.

Biometric Screenings and wellness support can be an integral component of a comprehensive health and disease management program.

This program includes on-site health evaluations assessing a variety of health risk factors. Employees receive a detailed follow-up wellness report including evidence-based health improvement recommendations. The employer will also receive aggregate reports to assess the health and health care needs of the workforce.



Lifestyle Programs encourage members to practice healthier lifestyle behaviors by offering a variety of reimbursement programs, educational materials, and health reminders.

Onsite Wellness Programs

- group support
- worksite health education seminars
- lifestyle management programs
- flu shot program
- auxiliary screening
- immunization campaigns

CONSUMER EDUCATION & DECISION SUPPORT

- **Online account access** — convenient online access to eligibility and benefit summaries, view claims and Explanations of Benefits, and locate providers
- **Health Encyclopedia** — access to a suite of health information resources including medical symptoms, health organizations, and support groups
- **CorCell®** — through a preferred arrangement, CorCell* offers discounted fees on cord blood storage
- **Treatment Cost Estimator** — helps members estimate the cost of services related to a specific condition or procedure
- **Health Plan Selector** — assists members compare health plan options with individualized health profiles to estimate the services they may need

*CorCell is an independent company that offers discounts on cord blood preservation services to Independence Administrators plan members. CorCell does not offer Blue Cross and/or Blue Shield products or services. CorCell is solely responsible for its' products and services.

Just a few more ways we support plan members!

- health coaching
- member outreach
- targeted mailing
- nurse helpline
- worksite health promotion
- health reminders



HEALTH & DISEASE MANAGEMENT

Health Utilization and Case Management

Independence Administrators partners with AmeriHealth Administrators, an independent company. AmeriHealth Administrators is a leading national third party administrator, that provides URAC-accredited health utilization management and case management.

The health utilization management focuses on improving patient outcomes and reducing health care costs by addressing health care needs early and diligently through precertification, inpatient concurrent review, and discharge planning.

For high-risk, high-cost cases the case management program facilitates health care delivery, improves outcomes, and reduces costs. Case management can help to decrease preventable emergency room visits and acute hospital admissions, shorten length-of-stay, and reduce overall utilization.

Maternity Management

We provide valuable education about pregnancy and support expectant women in following their doctor's health care plan promoting health pregnancy. Our program also provides information on identifying and reducing risk factors.

Disease Management

Our disease management program helps plan sponsors manage health care costs, proactively targeting at-risk populations, and create better informed health care consumers. We focus on the most costly chronic diseases from asthma to coronary artery disease to migraines.

Through disease management members at risk with chronic or unstable illnesses are identified and provided ongoing education, support, and individual health coaching to measure and help improve outcomes.

Decision Support

We work with the plan members to provide information on common health conditions and treatment options, as well as the risks and benefits of any treatment.

Decision support helps members understand their medical questions, partner with their doctors to make informed choices, and actively co-manage their health care.

TAX-ADVANTAGE HEALTH ACCOUNT COMPARISON

	Flexible Spending Account (FSA)	Parking and Transit Accounts	Health Reimbursement Arrangement (HRA)	Health Savings Account (HSA)
Description	Reimbursement account for medical or dependent care expenses	Reimbursement account for parking and transit expenses	Reimbursement account for medical expenses	Savings account for medical expenses
Health Plan Required?	No	No	No, but typically offered with a high-deductible health plan	Yes, HSA-compliant high-deductible health plan required
Who's eligible?	<ul style="list-style-type: none"> • Employees • COBRA participants 	<ul style="list-style-type: none"> • Employees 	<ul style="list-style-type: none"> • Employees • COBRA participants 	High-deductible health plan participants
Who can contribute?	Employee, employer, or both	Employee, employer, or both	Employer	Employee, employer, third party, or any combination of the above
Contribution Limits	Medical <ul style="list-style-type: none"> • Currently no set limit; employer may establish a limit • Beginning January 2013 — \$2,500/year Dependent care <ul style="list-style-type: none"> • \$5,000/year 	<ul style="list-style-type: none"> • Transit passes \$230/month • Qualified parking \$230/month 	No set limit; employer may establish a limit	Lesser of— <ul style="list-style-type: none"> • 100% of deductible • Maximum 2010 individual contribution — \$3,050/year • Maximum 2010 family contribution — \$6,150/year Participants 55 or older can make additional “catch-up” contributions
Qualified Expenses	Unreimbursed IRC §213(d) medical expenses; dependent care expenses	Qualified parking and transit passes	Can be customized to suit employer's needs	Unreimbursed IRC §213(d) medical expenses; and premiums for long-term care and COBRA, Medicare A & B, or Medicare HMO
Balance Carryover	Employer can allow a grace period up to 2 months plus 15 days	Employer can allow a grace period up to 2 months plus 15 days	Unused balances can accumulate for later use. Carryover permitted subject to plan document limitations.	Lifetime carryover
Portability	Generally, not portable	Generally, not portable	Portable at discretion of employer	Portable; account moves with participant
Interest	Interest does not accrue	Interest does not accrue	Interest can accrue, at employer's discretion	Interest and investment income accrue tax-free
Tax Advantages	<ul style="list-style-type: none"> • Employee contributions are tax-free for federal, Social Security, Medicare, and most state income tax • Reduced payroll taxes for employer • Distributions are tax-free for qualified expenses 	<ul style="list-style-type: none"> • Employee contributions are tax-free for federal, Social Security, Medicare, and most state income tax • Reduced payroll taxes for employer • Distributions are tax-free for qualified expenses 	<ul style="list-style-type: none"> • Reimbursements are excludable from taxable income • Contributions qualify as a business expense 	<ul style="list-style-type: none"> • Employee contributions are federal tax-free • Reduce payroll taxes for employer • Distributions are tax-free for qualified expenses • Account earns tax-free interest while held in HSA • Employer contributions generally not subject to employment tax



Contact an Independence Administrators representative for more information about our consumer-directed health programs.

You can choose to introduce CDHP as a full replacement to an existing program, or you can offer CDHP options alongside other managed care options.



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