Synchrony Health Initiatives

# Level Funded ERISA Plan
# Frequently Asked Questions

***What is the minimum and maximum group size for the program?***

The program is targeted at employers with 75-200 full time employees. Employers with more than 200 will be considered on a case by case basis.

***What are the participation requirements?***

The program requires a minimum of 51 enrolled FTE or 50% of eligible FTEs whichever is greater. The program will not accept employers with less than 51 enrolled.

***Can fully insured employers join the SHI program?***

Yes. We welcome all employers with 75-200 employees to request a quote.

***How does the Plan work?***

SHI plan management team utilizes a 501c9 VEBA Trust platform. Upon acceptance into the program, the SHI plan managers produce and file a VEBA Trust for each employer. The sponsoring employer group joins the VEBA and pays a fully insured premium equivalent each month. The funding is based on plan maximums and creates a stable reserve for claims on an ongoing basis. An employer in the SHI program may not pay claims on an incurred basis.

The VEBA is provided medical stop loss (reinsurance) to protect it from large catastrophic claims and excessive aggregate claims. The specific deductible is set based on the size of the group. All stop loss coverage includes run-out protection, monthly aggregate accommodation and specific advance to ensure the participating employer isn't subject to monthly claim swings.

Reserves are retained by the VEBA and must be used for the benefit of the Members (employees). If the program accumulates excess reserves, the VEBA offers the employer a contribution holiday or reduction at renewal.

***How does the SHI program determine employer eligibility/acceptance?***

SHI is *a level funded ERISA qualified plan* which means that each employer assumes some risk. To help employers determine the financial viability of the SHI program, we require medical questionnaires for each group that is unable to provide claim experience information from current or prior plans. Our underwriting team evaluates the questionnaires and creates a premium equivalent contribution or declines the group to protect the employers' financial exposure.

### *How is the premium contribution determined?*

The underwriting team develops an initial quote based on the census, proposed plan design and employer group questionnaire. The rate calculation is based on a traditional stop loss platform using an actuarial manual. Upon review of the individual medical questionnaires, the underwriter may make adjustments to the contribution. Renewal contributions are pooled for pricing purposes but each employer maintains an individual policy under the program.

### *Renewal Actions*

How are renewals calculated? The SHI program treats all employer VEBAs as a pool for renewal pricing. Even though each VEBA has its own stop loss coverage we leverage the pool to develop pricing stability for all. The program has focused on the development of preferred, standard and substandard renewal pricing with the potential outlier for non-performing groups.

### *Enrollment*

If an employee doesn't enroll when the plan is set up can they enroll throughout the year? Yes, but each person must be underwritten and accepted into the program. This underwriting is permitted as the VEBA is built on an ERISA platform.

### *Can an employer discriminate between classes of employees?*

No, the VEBA is subject to ACA participation and contribution requirements.

### *Can the Plan Designs be modified?*

We do welcome one off employer group opportunities but unfortunately, SHI plans cannot be changed. As the SHI program is based on pooled pricing, if the plan design varies from other participating employers, the pricing would be different, and pooling could not apply. We are happy to review and discuss one off employer group opportunities.

### *How long does it take to get a quote?*

The typical quote takes 7 business days to complete provided all required information is submitted. Delays providing information and data will result in slower proposal times.