

Aetna Supplemental Benefits Proposal

Banner Health



**Hospital Indemnity
Plan**

Hospital Indemnity - (HSA) w/ Facility Rider

Policy Effective Date	01/01/2022
Contract State	AZ
Number of Eligible Employees	39,635

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LOCKTON - Kansas City

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This quote is valid for 90 days from: 06/23/2021



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Why Aetna Supplemental Benefits?

Competitive product portfolio with plan design and pricing flexibility

- **Plan design flexibility** through benefit options and add-ons
- Plans designed from a medical carrier perspective – built on a **group plan framework**
- Expertise to deliver strategic solutions standalone or bundled with medical to **enhance core medical strategy** and drive participation into HDHPs
- Increased **financial savings with discounts** for bundling Aetna products

Enhanced member experience that increases engagement and drives utilization

- Online access to coverage, claims and plan documents through **personalized member website and mobile app**
- Aetna Easy File™ – **fast, easy** member claim submission
- Aetna Claims Finder™ **proactive outreach** helps members use benefits
- Member access to Aetna's discount programs

Unique claims integration that makes it easy for members

- **Simplified claims submission** – online claims process with no paper proof required for Aetna medical members

An effortless employer experience – backed by the power of the Aetna organization

- **Dedicated account management** team
- **Proven and seamless implementation** management
- Tactical marketing consultant and member **enrollment communication support**
- Strategic partnerships with enrollment platforms – ability to **enroll on your chosen platform**
- **Streamlined** implementation and file exchange with other Aetna plans
- Flexible **billing options**

Aetna Hospital Indemnity Plan

Plan Description

Our hospital indemnity plan pays members cash directly when they have a covered inpatient hospital stay.

Plan Eligibility

- Employee eligibility as defined by the Client. A minimum of at least 15 hours per week is required
- Eligible dependents include: Legal spouse, domestic partner, civil union partner, children under age 26 and provided they meet the definition of dependent child as defined by the state
- Retirees are not considered actively at work and therefore not eligible for this plan

Plan Highlights

- Guaranteed Issue every year for employees and their families – even if coverage waived in the past
- Rate Guarantee for 36 months subject to all other terms in this Proposal
- 4 Tier Coverage options include: Employee, Employee & Spouse, Employee & Children, and Family
- HSA compatible
- Cash benefits paid directly to the employee
- Pre-ex waived
- Simplified Claims Process for Aetna medical members
- Online claims process for employees not enrolled in an Aetna medical plan
- Participation Requirement Waived

Plan Features

- Lump-sum payment for first day of inpatient stay, when stay begins during the plan year
- Daily benefit payment beginning on the second day
- Increased per day payment in an intensive care unit (ICU)
- Employer Designated Facility Rider
- Waiver of Premium
- Portable

Value Added Programs

Access to Aetna Discount Programs: including blood pressure monitors, weight-loss programs and meal plans, books and magazine subscriptions, gym memberships, health and wellness products, hearing and dental products, eye care and more.

Hospital Indemnity Plan Benefits

Covered Benefit for Inpatient Stays	Non-ER Designated Facility	1.5x-ER Designated Facility*
<p>Hospital stay - Admission</p> <p>Provides a lump sum benefit for the initial day of your stay in a hospital.</p> <p><i>Maximum 1 stay per plan year</i></p> <p>Note: A stay includes admission to a mental disorder treatment facility or substance abuse treatment facility.</p>	\$1,000	\$1,500
<p>Hospital stay - Daily</p> <p>Pays a daily benefit, beginning on day two of your stay in a non-ICU room of a hospital.</p> <p><i>Maximum 30 days per plan year</i></p>	\$100	\$150
<p>Hospital stay - (ICU) Daily</p> <p>Pays a daily benefit, beginning on day two of your stay in an ICU room of a hospital.</p> <p><i>Maximum 30 days per plan year</i></p>	\$200	\$300
<p>Newborn routine care</p> <p>Provides a lump-sum benefit after the birth of your newborn. This will not pay for an outpatient birth.</p>	\$100	\$100
<p>Observation unit</p> <p>Provides a lump sum benefit for the initial day of your stay in an observation unit as the result of an illness or accidental injury.</p> <p><i>Maximum 1 day per plan year</i></p>	\$100	\$100
<p>Substance abuse stay - Daily</p> <p>Pays a daily benefit for each day you have a stay in a hospital or substance abuse treatment facility for the treatment of substance abuse.</p> <p><i>Maximum 30 days per plan year</i></p>	\$100	\$150
<p>Mental disorder stay - Daily</p> <p>Pays a daily benefit for each day you have a stay in a hospital or mental disorder treatment facility for the treatment of mental disorders.</p> <p><i>Maximum 30 days per plan year</i></p>	\$100	\$150
<p>Rehabilitation unit stay - Daily</p> <p>Pays a benefit each day of your stay in a rehabilitation unit immediately after your hospital stay due to an illness or accidental injury.</p> <p><i>Maximum 30 days per plan year</i></p>	\$50	\$75
<p>Important Note: All daily inpatient stay benefits begin on day two and count toward the plan year maximum.</p>		

*Employer chooses the 1.5x the non-employer designated facility benefit when a member utilized an employer designated facility. Does not apply to the Newborn routine or Observation unit benefits.

Waiver of Premium

Covered Benefit	Non-ER Designated Facility	1.5x-ER Designated Facility*
	Included	Included

If you are in a hospital for more than 30 days in a row, we will waive the premium beginning on the first premium due date that occurs after the 30th day of your stay, through the next 6 months of coverage. During your stay, you must remain employed with the policyholder.

Monthly Rates - Hospital Indemnity Plan

Quoted Rates are guaranteed for 90 days from the date of this Proposal.

06/23/2021

Commission Percentage **50% / 10%**

Hospital Indemnity – Base Plan (HSA) 1.5x Network Facility-100% Voluntary (HSA)

Employee Employee & Spouse Employee & Children Family

Monthly Rate \$23.07 \$46.88 \$36.81 \$57.77

Any changes in benefit level or conditions stated above may result in a change in rates. The quoted rates are anticipated to be valid as of the Effective Date and apply only to the benefit level and conditions stated above and are subject to the terms and conditions set forth in the policy, and related documents for each product as well as applicable law.

Hospital Indemnity Plan Exclusions and Limitations

This plan has exclusions and limitations. Refer to the actual policy and certificate to determine which benefits are not payable. The following is a partial list of services and supplies that are generally not covered. However, the plan may contain exceptions to this list based on state mandates or the plan design purchased.

Benefits will not be paid for any stay or other service for an illness or accidental injury related to the following:

1. Certain competitive or recreational activities, including but not limited to: Ballooning, bungee jumping, parachuting, skydiving;
2. Any semi-professional or professional competitive athletic contest, including officiating or coaching, for which you receive any payment;
3. Act of war, riot, war;
4. Operating, learning to operate or serving as a pilot or crew member of any aircraft, whether motorized or not;
5. Assault, felony, illegal occupation, or other criminal act;
6. Care provided by a spouse, parent, child, sibling or any other household member;
7. Cosmetic services and plastic surgery, with certain exceptions;
8. Custodial Care;
9. Hospice services, except as specifically provided in the Benefits under your plan section of the certificate;
10. Self-harm, suicide, except when resulting from a diagnosed disorder;
11. Violating any cellular device use laws of the state in which the accident occurred, while operating a motor vehicle;
12. Care or services received outside the United States or its territories;
13. Experimental or investigational drugs, devices, treatments, or procedures;
14. Education, training or retraining services or testing;
15. Accidental injury sustained while intoxicated or under the influence of any drug intoxicant;
16. Exams except as specifically provided in the Benefits under your plan section of the certificate;
17. Dental and orthodontic care and treatment;
18. Family planning services;
19. Any care, prescription drugs, and medicines related to infertility;
20. Nutritional supplements, including but not limited to: food items, infant formulas, vitamins;
21. Outpatient cognitive rehabilitation, physical therapy, occupational therapy, or speech therapy for any reason;
22. Vision-related care

THIS IS A SUPPLEMENT TO HEALTH INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL COVERAGE.

The Aetna Hospital Indemnity Plan is a hospital confinement indemnity plan. This plan provides limited benefits. The benefit payments are not intended to cover the full cost of medical care. You are responsible for making sure the provider's bills get paid. These benefits are paid in addition to any other health coverage you may have. This plan does not count as Minimum Essential Coverage under the Affordable Care Act.

General Proposal Conditions (Applicable for All Quoted Plans)

Effective Date

The effective date of coverage will be the policy issue date agreed upon by all parties and shown on the certificate specification page, not the application date.

Employee Participation and Initial Open Enrollment Requirements

We recognize that the Client does not agree to an active engagement for the initial open enrollment period.

A minimum participation requirement will be:

Hospital Indemnity Plan: Waived

Client will fully support the enrollment and acknowledges that Aetna will work collaboratively with the enrollment vendor and Client to support such enrollment. It is recommended that the Client agrees to an active engagement for the initial open enrollment period, and that at least 75% of all eligible employees actively engage in the enrollment process.

Definitions

Active engagement means that employees must review the initial offer and record an election to either accept or waive coverage.

Participation is defined as the number of enrollees divided by the total number of eligible employees.

Reporting Metrics

Final participation and/or active engagement levels will be measured at the end of the open enrollment period. Client agrees to provide basic engagement reporting to Aetna during and after the open enrollment period.

Preferred method: a system that can provide a summary report of enrollments and waivers.

Acceptable, but not preferred method: a system that can provide a summary report of eligible employees who logged in and completed the enrollment process.

Additional Conditions

The quoted plan and rates in this proposal are subject to final underwriting review by Aetna. Aetna reserves the right, to the extent permitted by law, not to extend coverage or to change pricing and/or other terms specified in this proposal based on that review.

Quoted plan and rates have been based on the information provided to Aetna. Additional information may be required to complete the underwriting and installation process. Rates and/or product availability may change if any of the following occur:

- ✓ Participation and/or engagement assumptions are not met or there is a change in the contribution strategy
- ✓ Actual enrolled census deviates materially from information provided
- ✓ The number of eligible lives and/or participation changes at any time prior to the next open enrollment
- ✓ The information provided to Aetna is incorrect or incomplete
- ✓ Benefit level changes from those specified in this proposal
- ✓ The Client or Producer uses a benefit technology firm with whom we already have a contract and did not identify that firm before we issued this proposal

Plans summarized in this proposal are subject to additional terms, conditions and limitations specified in the applicable coverage contracts. Copies of coverage contracts are available upon request.

Changes to product availability, actuarial factors, and state/federal laws may alter the proposal at the time of final underwriting and installation.

Quotes are based on the assumptions that all information provided to Aetna is correct and complete, that the Client is a group to which coverage may be issued, and that the group is in sound financial condition.

Notification of acceptance of the proposal must be communicated in writing to Aetna no later than 30 days prior to the coverage effective date. Otherwise, late acceptance may cause a delay in contract issue, in case installation, postponement of effective date, and/or invalidation of the proposal.

Aetna reserves the right to modify its products, services, rates and fees in response to legislation, regulation or requests of government authorities resulting in material changes to plan benefits, and to recoup any material fees, costs, assessments, or taxes due to changes in the law even if no benefit or plan changes are mandated.

Authorization for Use of Information

If Client has a self-insured group health plan administered by Aetna and would like **simplified claims submission** for employees, spouses and dependents enrolled in Aetna Supplemental Benefits, Client's representative agrees to the following authorization.

1. Client has entered into a master services agreement with Aetna's affiliate, Banner Health and Aetna Health Insurance Company for claims administration and related services for Client's self-insured group health plan.
2. In connection with that master services agreement, Client and Aetna's affiliate, Banner Health and Aetna Health Insurance Company have also entered into a HIPAA Business Associate Agreement under which Aetna is designated as Client's Business Associate.
3. Client authorizes Aetna to utilize Protected Health Information from Client's group health plan to facilitate the submission and processing of claims for Client's employees who are covered under both the group health plan and one or more Aetna Supplemental Benefits policies.
4. Client agrees that Aetna's use of PHI for **simplified claims submission** shall be considered an authorized use under the parties' HIPAA Business Associate Agreement.

Additional Information

Financial Sanctions Exclusions Clause

If coverage provided by this policy violates or will violate any US economic or trade sanctions, the coverage is immediately considered invalid. For example, Aetna companies cannot make payments or reimburse for health care or other claims or services if it violates a financial sanction regulation. This includes sanctions related to a blocked person or entity, or a country under sanction by the United States, unless permitted under a valid written Office of Foreign Assets Control (OFAC) license. For more information on OFAC, visit [treasury.gov/resource-center/sanctions/Pages/default.aspx](https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx).

Compensation to Producers (Brokers, Agents and Consultants)

Licensed and appointed producers may earn compensation in the form of a commission on the sale of this product. The amount of compensation varies depending on a number of factors, including customer segment and the products selected. Aetna offers additional bonus programs to its producers, which may also apply. Please consult your broker for additional information concerning their compensation for this sale, including commission and any applicable bonus programs. The producer is prohibited by law from altering the amount of compensation received from Aetna based in whole or in part on the sale.

Compensation to Salaried Aetna Employees

Salaried employees may earn compensation on the sale of Aetna products. The compensation varies depending on a number of factors, including customer segment and products selected. Combining all factors, compensation for each product quoted averages less than 8% of the total first year annual premium. Aetna offers additional bonus programs, which may also apply. Neither Aetna nor the employee has material ownership interests in the other. The employee may not alter the amount of compensation received from Aetna. You may obtain additional information about the compensation expected to be received by eligible employees, based in whole or in part on the sale of an Aetna product, or alternative options presented, by contacting Aetna at [aetna.com/about-us/forms/employee-compensation-disclosure.html](https://www.aetna.com/about-us/forms/employee-compensation-disclosure.html).

Providers are independent contractors and are not agents of Aetna. Aetna does not provide care or guarantee access to health services. Discount programs provide access to discounted prices and are not insured benefits.

Aetna Voluntary Plans are underwritten by Aetna Life Insurance Company (Aetna). Plan features and availability may vary by location and are subject to change. Information is believed to be accurate as of the production date; however, it is subject to change. For more information about Aetna plans, refer to [aetna.com](https://www.aetna.com).

Policy forms issued include: Hospital Indemnity: AL VOL HPOL-Hosp 01 and AL VOL HCOC-Hosp 01 in Idaho, Oklahoma and Missouri.

Proposal Acknowledgement

I have carefully read and fully understand the above plan proposal. I agree to the terms outlined and elect to purchase the plan as indicated.

Signed: Consultant/ Broker Representative

Date:

DocuSigned by:
Name: *Jeff Morris*
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7/15/2021

Signed: Consultant/ Broker Representative

Date:

Name: *RTR*

07/15/2021

Signed: General Agent Representative

Date:

Name:

Signed: Client Representative

Date:

July 13, 2021

Name: *David J. Schuitema*

Signed: Aetna Voluntary Representative *Denise Lofgren*

Date: 07/15/2021

Name: Denise Lofgren