



Cost Saver

Health Benefits for Small Groups

Effective 10/1/2010

A New Concept in Small Group Health Insurance



No Medical Underwriting!

Administered by:



www.alliednational.com

Underwritten by:

American Alternative Insurance Corporation
Rated "A+" (Superior) by A.M. Best Co.


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Supplemental Health
Coverage for groups
of two or more

What is Allied™ Cost Saver?

Allied™ Cost Saver is a unique health plan alternative for employers of any size faced with the out of control costs of group health insurance.

Allied Cost Saver provides an option to employers faced with the prospect of dropping coverage altogether, or to employers who have never provided health insurance to their employees. And, with **no medical underwriting**, this limited benefit plan is easily accessible while providing the types of benefits employees request most—benefits like an office visit copay, emergency room coverage and a Prescription Drug Card.



Cost Saver is much more than an employee voluntary mini-med product that pays only minimal benefits. It is an employer-sponsored group plan based on a traditional PPO-style product. The PPO discounts provide additional value by reducing an insured's out-of-pocket costs.

Who Will Benefit From this Type of Plan?

Any employer who has been unable to afford or can no longer afford to provide a traditional health insurance plan should consider Allied Cost Saver.

The cost of health insurance is rising at an alarming rate every year. This has left many companies unable to afford health insurance for their employees.

“Making health care more affordable is a top concern of small business owners, who say that health care costs are the primary issue confronting their businesses. More than one in three small business owners (36 percent) say that rising costs are likely to cause them to cut some portion of health insurance benefits for their employees”, according to *America's Small Business Owners and Health Reform*.

Allied Cost Saver addresses the high cost of health insurance and provides important essential benefits to groups, while keeping premium costs down. This is the perfect plan for groups who can't afford to provide traditional health benefits to employees.

Why Should an Employer Purchase Cost Saver?

Allied Cost Saver addresses the employer's need to offer health benefits to its employees. Employee benefit plans are a key way for an employer to attract and retain quality employees. Allied Cost Saver provides an affordable, cost-effective way to provide benefits.

Allied Cost Saver is the perfect way for an employer to start a benefit plan, or retain one, in the face of ever increasing insurance costs. Also, purchasing employee health benefits has tax advantages for both the employer and the employee. Unlike wages, health benefits are not subject to income or payroll taxes.

Typical purchasers include convenience stores, construction trades, truckers, and health care professions like nursing homes and home health care providers.

Cost Saver Benefits and Options

Prescription Drug Card

The Prescription Drug Card benefit provides low cost, outpatient prescription drug benefits. Each insured employee will receive a Prescription Drug ID card that can be used at over 60,000 participating pharmacies across the nation, including most of the major national chains. Insureds may also purchase maintenance drugs through the mail. Three outpatient prescription drug options are available:

Generic Only Option:

Generic: \$15 copay per prescription. No limit on number of prescriptions. \$1,000 annual maximum benefit per calendar year. Brand name: Provided at Allied's contracted discount.

Formulary Plan Options:

Formulary \$75/\$500:

\$75 deductible (waived for OTC and generic), \$500 annual maximum generic benefit and \$500 annual maximum benefit for brand and specialty.

Formulary \$150/\$1,500:

\$150 deductible (waived for OTC and generic), \$1,500 annual maximum generic benefit and \$1,500 annual maximum benefit for brand and specialty.

BridgeHealth Benefit

Allied's Cost Saver has been enhanced to offer you unprecedented access to some of the best surgeons and centers of excellence in the U.S. through the BridgeHealth World-Class Provider Network.™ This enhancement not only gives you access to high quality specialist care, it also allows you to view quality reports to compare hospitals and doctors in the BridgeHealth Network with your local providers. BridgeHealth also provides a Travel Benefit providing financial assistance to help offset your out-of-pocket costs, such as co-pays, deductibles and coinsurance to those who qualify. For more information, please visit www.bridgehealthmedical.com/allied.

Optional Pregnancy Benefit

This benefit is available to any group initially insuring five or more employees on the health plan. The pregnancy benefit is also available to smaller groups if a state has mandated that benefit (OH - four or more; OK and TX - two or more; CA - all size groups). Please consult Allied for full details. Well baby charges are not covered by this benefit.

Rx Formulary Plan Benefits

Tier	Description	Patient Pays
0	Prescribed Over the Counter (Claritin, Zyrtec and Prilosec)	\$3 Copay
1	Generic	\$10 Copay
2	Brand-name Formulary	\$30 Copay
3	Brand-name Non-Formulary	\$50 Copay
4	Specialty Pharmacy*	50% Coinsurance

*Specialty Pharmacy includes, but is not limited to, select drugs for treating enzyme deficiency, hemophilia and multiple sclerosis, as well as select types of drugs like blood modifiers (e.g., Epogen, Procrit), growth hormones, IGIV and Interferons.

For more formulary information, visit Allied online at www.alliednational.com.

Lab Card® Benefits

Cost Saver extends the insured's benefits by automatically enrolling them in the Lab Card® Program, which provides outpatient lab testing at no charge (as long as the Outpatient and Physician Benefit has not been exhausted) when performed at a Quest Diagnostics facility or at a doctor's office that sends the tests to a Quest Diagnostics. It is a voluntary program, meaning that insureds can choose not to have their testing done using their Lab Card; however, the insured will be responsible for any amount after benefits are exhausted.

Life Extra Coverage

Life Extra Optional Coverage is available with the Cost Saver plan. If elected by the employer, a level \$10,000 is available for each employee (and must be taken for all covered employees). Life Only coverage is not available with the Cost Saver plan.

Life coverage is underwritten by Guarantee Trust Life Insurance Company, Glenview, IL.

PPO Discount Benefits

Allied National provides access to the best local and national PPOs across the country, adding a valuable benefit to the Cost Saver plan. With this access, better benefits and discounts are available for medical services, allowing our insured members to receive the best discounts and value for their medical needs.

Benefit Categories

Cost Saver pays benefits for covered expenses based on the type of medical service received by an insured, and the location at which the service is received. Each of these benefit categories has specific dollar limits for the benefits paid in that category.

Some of the most common types of services for each benefit category are listed below:

Outpatient Benefits

Office Visit

Most services performed in the doctor's office, including the office visit itself, consultations, immunizations, mammograms, pap smears and most diagnostic tests (x-rays and lab) are covered in this benefit category and subject to the \$20 office visit copay. Surgical procedures, costing less than \$200 and performed in the doctor's office, are also covered in this benefit category.

All Other Physician

Services performed by and/or billed for by a physician, not as part of an office visit, are covered in this benefit category and subject to the \$50 Copay. Items like medical supplies, surgical services, cardiovascular testing, reading of x-rays and MRIs, ambulance service, home health and hospice care are included.

Facility

Outpatient facility charges, including outpatient surgical center and emergency room charges, are covered in this benefit category. If admitted as an inpatient from the emergency room, the inpatient facility benefit and copay applies.

Inpatient Facility Benefit

Facility charges for inpatient stays are covered in this benefit category. The plan pays a daily benefit for all charges from the facility according to the room classification (e.g. ICU versus standard room.).

Accident Benefit

Charges in an emergency room, urgent care clinic or doctor's office due to an accidental injury are covered at 100 percent (deductible and coinsurance waived) up to the calendar year limit of \$1,000 per person.





Cost Saver Benefits

Deductible	\$250 or \$500 per person per year as selected by the employer (waived for office visits)
Coinsurance	Office visits 100% in-network and 80% out-of-network
	All other physician and outpatient services except office visits 80% in-network and 50% out-of-network

Outpatient and Physician Benefits*		Maximum Benefit			
Benefit Category	Copay	Plan 500 Value	Plan 750 Basic	Plan 1000 Standard	Plan 1500 Superior
Office Visits	\$20 copay per visit				
All other physician, outpatient and outpatient facility services	\$50 copay per bill except outpatient surgical center \$250 surgical center copay (per surgery)	\$1,500 per calendar year	\$2,500 per calendar year	\$4,000 per calendar year	\$6,000 per calendar year

Inpatient Facility Benefit* (Not subject to deductible and coinsurance)	Daily Benefit			
Critical Care	\$500	\$750	\$1,000	\$1,500
Intermediate or Step-Down Care	\$375	\$500	\$750	\$1,250
Standard Care	\$250	\$350	\$500	\$1,000
Skilled Nursing or Rehab	\$125	\$175	\$250	\$500
Maximum Inpatient benefit in any 12 consecutive months is the lesser of 75 days or	\$35,000	\$50,000	\$75,000	\$100,000

Accident Benefit*	Maximum Benefit
Doctor's office, urgent care clinic or emergency room charges paid at 100% (deductible and coinsurance waived) for accidental injury	\$1,000 per calendar year

*Please refer to the exclusions and limitations in the plan disclosure for additional information.

Outpatient Prescription Drug Options

Generic Only Option

Generic prescription drugs (Brand name provided at Allied's contracted discount)	\$15 copay per prescription	\$1,000 Annual Limit
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Formulary Plan Options

Tier	Description	Copay	Formulary \$75/\$500		Formulary \$150/\$1,500	
			Deductible	Maximum Benefit	Deductible	Maximum Benefit
0	Prescribed over the counter (Claritin, Zyrtec and Prilosec)	\$3	\$0	\$500 per calendar year	\$0	\$1,500 per calendar year
1	Generic	\$10				
2	Brand-name Formulary	\$30	\$75	\$500 per calendar year	\$150	\$1,500 per calendar year
3	Brand-name Non-Formulary	\$50				
4	Specialty Pharmacy**	50% Coinsurance				

**Specialty Pharmacy includes, but is not limited to, select drugs for treating enzyme deficiency, hemophilia and multiple sclerosis, as well as select types of drugs like blood modifiers (e.g. Epogen, Procrit), growth hormones, IGIV and Interferons. For more formulary information, visit online at www.alliednational.com.

Underwriting Rules and Information

Dual Choice Option and Class Benefits

Allied supports the employer's ability/desire to sponsor two or more plan design choices (dual choice) or provide different benefits according to defined non-discriminatory benefit classes (dual class). For complete details about multiple benefit options, please contact Allied Sales Support.

Participation, Contribution Requirements and Eligibility

The Cost Saver Plan is available for eligible groups of two or more employees*. Participation of at least 75 percent of eligible employees is required at all times. Any employee or dependent who waives coverage due to other qualifying health coverage is not counted in the above participation totals (unless the qualifying coverage is another plan with that same employer). However, except in CA, GA and OK, at least 50 percent of the full-time employees must participate in the plan for the group to be considered eligible. Participating employers must contribute a minimum of 25 percent of each employee's premium costs.

Eligibility: An eligible employee is a person directly employed and actively at work (including approved medical leave) on a full-time basis in the regular business of the employer, and compensated by the employer with regular periodic wages for service. Full-time is 30 hours per week (24 hours in OK and 25 hours in OH).

Eligible dependents are an employee's legal spouse who is not legally separated or divorced from the employee and is not a member of the armed forces, and an employee's children, including stepchildren, legally adopted or foster children, under the age of 26 and are not covered by another employer sponsored plan.

**For groups of 100+, contact Allied Sales Support for custom rate quotes. Two life, husband/wife groups are not eligible unless mandated by state law.*

Waivers

Waivers must be completed for ALL eligible employees and/or dependents not enrolling for coverage. If the waiver is due to qualifying existing coverage (unless the qualifying coverage is another plan with the same employer), the waiver will not count against the calculation of the group's participation. An employee's failure to complete a waiver could jeopardize his or her future rights to coverage.

The family of Wellness Horizons® and Allied™ products includes group and individual insurance plans for Health, Dental, Life and Disability benefits.

Effective Dates and Rates

A group may request any effective date provided that a complete application, signed on or before the requested effective date, is received in our office no later than five working days following that date. Receipt of 100 percent of employee enrollment forms or waivers (including for employees in their waiting period) is mandatory before coverage can be approved. In all circumstances, coverage is not in effect until approval is granted in writing by Allied National.

A group that has coverage effective on a date other than the first of the month will have its second month's premium prorated, so that future billing months begin on the first of the month.

Dependent Rating

Cost Saver uses an "all" children rate. When a group has a high average number of children per employee, rates may be increased to compensate for the number of children.

No Medical Underwriting

Employees enrolling in the Cost Saver Plan do not undergo medical underwriting. Employees fill out a simple enrollment form without medical questions. There are no rate-ups at underwriting time due to medical history.

Takeover Benefits

Takeover Benefits allow a group to switch coverage while maintaining valuable credit toward pre-existing condition exclusion periods.

Benefits include credit from prior "Creditable Coverage" applied towards the pre-existing condition limitation if there has not been a break in coverage exceeding 62 days (or length of time mandated by state) and credit for deductibles on the employer's plan during the 90 days prior to the effective date or current calendar year, whichever is greater. The "portability" provisions apply to all initial insureds and subsequent timely additions to a group. Creditable Coverage also applies to individual plans, so even new employees can qualify.

Exact provisions for the plan are contained in the master policy. Each insured employee will receive a Certificate of Insurance which contains a detailed explanation of the plan provisions. Some provisions, benefits, exclusions and limitations listed in this brochure may vary depending on the state in which the employer is located.

Plans administered by:



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