

Who is PHP Management Systems?

PHP Management Systems, Inc. (PHPMSI), a fully-owned subsidiary of Physicians Health Plan, is locally sponsored and governed by area physicians dedicated to providing quality, affordable healthcare in our community. With exceptional customer service and satisfaction, industry expertise, financial strength and stability, our team will partner with you to find the best solution to achieve your health benefit goals.

Why should I choose PHPMSI?

PHPMSI is the Third Party Administrator (TPA) and PHP Insurance Company of Indiana (PHPIC) is the Stop-loss Carrier for our LEVEL Solutions product. This means that two related companies are providing claims processing and administrative services, as well as your additional protection from catastrophic claims. Having both of these services under one roof offers you an ease of coordination that just isn't available in most arrangements.

TPA Services from PHPMSI:

- **LEVEL Solutions** - a self-funded product for small employers with 20-100 enrolled subscribers.
- **Employer-sponsored health plans** - services for mid to large employers wanting to self-fund their health plan.
- **Flexible Spending Accounts (FSAs)** - both Healthcare and Dependent Care FSAs are available.
- **Health Reimbursement Arrangements (HRAs)** - can offer lower premiums and tax savings for employers.

About PHP

- Founded in 1983
- Headquartered in Fort Wayne, Indiana
- Physician governed
- Experienced staff of more than 100 employees
- Committed to our community and corporate giving

Service Area

LEVEL Solutions is available to businesses throughout the entire state of Indiana.



What is LEVEL Solutions?

LEVEL Solutions: A self-funding product for groups with 20-100 enrolled subscribers.

Combine a self-funded plan design with stop-loss protection for more control and flexibility in your health benefits, and the potential for additional savings through surplus refunds!

How does LEVEL Solutions differ from a traditional fully-insured?

In a traditional plan, you pay a monthly premium to the insurance carrier, who then is responsible to pay all medical claims that members incur. In some cases, medical costs may exceed the premium that you have paid and in others the medical costs may be less. In either situation, the employer does not have any further financial liability.

With Level Solutions, you can enjoy the stability of a set monthly payment* with the potential of receiving money back if your group has low claims experience. Your only risk is that you may not receive any money back.

Not happy with new requirements under the Affordable Care Act?

Level Solutions is a self-funded product that is exempt from certain federal guidelines under the Affordable Care Act. Additionally, portions of self-funded plans may not be subject to state health insurance premium taxes, which can help to lower costs.

What type of reporting will I see?

Reporting is an important component of your Level Solutions product. Your summary reporting package will provide valuable information about where your claim dollars are being spent, for example, in prescription drugs, office visits, outpatient services or hospital stays. By considering this information when you design your plan, you can hold down costs at renewal and also implement employee education initiatives to further future savings.

Typically, you will receive a monthly accounting report on all claims paid during the month and year-to-date totals. Other summary level utilization reporting based on the claims that have been paid will also be available.

Product features:

Predictable Payments

Regardless of medical claim activity, you will have the same monthly payment to give you ease and consistency of budgeting.

Savings Potential

When you experience low medical claims you may accumulate a surplus, which can be credited to your account to be used for future health benefits.

Control of Plan Design

Level Solutions is an alternative to an ACA-compliant plan, allowing you more control in selecting plan designs to best meet your needs.

Protection from High Claims

If your group has a catastrophic claim or experiences a high amount of claims overall, stop-loss insurance protects you and pays for these claims to limit your financial exposure.

Unparalleled Service

Exceptional service is a hallmark of the PHP experience. From the proposal to service after the sale, our goal is your complete satisfaction with your plan.

** Monthly payment may be adjusted throughout the 12 month contract period if changes occur in the number of employees enrolled in the plan. Significant decreases in enrollment may require adjustment of the monthly funding and premium factors to reach the minimum attachment point.*

How does LEVEL Solutions work?

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PHP will determine your annual claims amount based upon the number of employees and the selected plan design. This amount is divided into twelve, equal monthly payments. *(Your monthly payment may adjust during the contract year if you have significant changes to your enrollment numbers.)* If your company experiences employee claims that are less than your annual claims fund, you will receive a refund or credit of a portion of this surplus.

If your employees' claims were to exceed your claims fund, you do not owe any additional dollars to PHP with the LEVEL Solutions product.

Plan Year and Run-out Period

Your plan year will run for a 12-month period; however, a 9-month run-out period will begin at the end of the plan year. This means that claims incurred during the plan year may still be paid in the 9-month run-out period. At the end of the run-out period, the remaining money in the claim liability account will equal that year's surplus.

Payout of Your Surplus

Once your surplus is determined (at the end of the 9-month run-out period), your actual credit is calculated to return a significant amount of this to you. This credit can be applied to your account to be used for future health benefits.

Network of Providers

Groups have access to the PHP Prime with Encircle network for their employees. This network offers complete access to PHP's broadest network, with significant provider and facility discounts. PHP's Options network is also available and designed for groups seeking to lower costs.

Tax and Fee Savings

Self-funded plans, like LEVEL Solutions, are governed by The Employee Retirement Income Security Act (ERISA), and not individual state laws. This results in a savings for most self-funded plans as they aren't subject to state premium taxes (about 2% of premium) fully insured plans pay.

Other tax and fee savings include:

- Health Insurance Tax (2-4% of premium)
- SHOP Exchange Fee (3.5% of premium)
- SHOP Risk Adjustment Fee (\$1 per member per year)

How's my payment calculated?

Example of Monthly Costs:

Expected Claims:	\$9,000
Aggregate Corridor:	20%
Maximum Claim Fund:	\$10,800
Stop Loss Coverage:	\$7,300
Administrative Costs:	\$3,400
Total Monthly Costs:	\$21,500

Your Cost Breakdown



Claim Fund

The money used to pay smaller claim amounts. You will never have to pay more in claims than the maximum claim fund amount, which is calculated by adding an aggregate corridor of 20% or 25% to the expected claims amount.

Stop Loss Coverage

Insurance protection for larger individual claims (over \$15,000 per person) and for aggregate claims over 120% or 125% of your expected claims for the year (including the run-out period).

Admin Costs

Covers all services to administer your health plan: billing, claims processing, underwriting services, claims reporting, customer service, and broker commissions.

What are my benefit plan options?

	Deductible <i>Individual/ Family</i>	Out-of-Pocket Maximum <i>Individual/ Family</i>	Coinsurance Level <i>(pick one, if two options)</i>	Primary Office Visit/ Specialist/ Urgent Care <i>(pick one)</i>	Pharmacy <i>5-tier plan (pick one)</i>	Out-of-Network Deductible <i>Individual/Family</i> Out-of-Pocket Maximum <i>Individual/Family</i> Coinsurance Level
Traditional Health Plans	\$1,000/\$2,000	\$3,500/\$7,000	80%	\$20/\$40/\$40 \$25/\$50/\$50 \$30/\$60/\$60	\$4/\$10/\$30/\$60/75% \$4/\$15/\$35/\$75/75%	\$2,500/\$5,000 \$8,500/\$17,000 50%
	\$1,500/\$3,000	\$4,000/\$8,000	80%	\$20/\$40/\$40 \$25/\$50/\$50 \$30/\$60/\$60	\$4/\$10/\$30/\$60/75% \$4/\$15/\$35/\$75/75%	\$3,500/\$7,000 \$9,000/\$18,000 50%
	\$2,500/\$5,000	\$5,000/\$10,000	80%	\$25/\$50/\$50 \$30/\$60/\$60 \$35/\$70/\$70	\$4/\$10/\$30/\$60/75% \$4/\$15/\$35/\$75/75%	\$5,000/\$10,000 \$10,000/\$20,000 50%
	\$3,500/\$7,000	\$6,000/\$12,000	70% 80%	\$25/\$50/\$50 \$30/\$60/\$60 \$35/\$70/\$70	\$4/\$15/\$35/\$75/75% \$4/\$20/\$45/\$95/75%	\$7,000/\$14,000 \$12,000/\$24,000 50%
	\$4,500/\$9,000	\$6,600/\$13,200	70% 80%	\$25/\$50/\$50 \$30/\$60/\$60 \$35/\$70/\$70	\$4/\$15/\$35/\$75/75% \$4/\$20/\$45/\$95/75%	\$9,000/\$18,000 \$13,200/\$26,400 50%
High Deductible Health Plans	\$3,000/\$6,000	\$3,000/\$6,000	100%	Same selection as Coinsurance Level		\$7,000/\$14,000 \$10,500/\$21,000 70%
		\$6,450/\$12,900	80% 70%			\$7,000/\$14,000 \$12,900/\$25,800 50%
	\$4,000/\$8,000	\$4,000/\$8,000	100%	Same selection as Coinsurance Level		\$8,000/\$16,000 \$12,000/\$24,000 70%
		\$6,450/\$12,900	80%			\$8,000/\$16,000 \$12,900/\$25,800 50%
	\$5,000/\$10,000	\$5,000/\$10,000	100%	100%	100%	\$10,000/\$20,000 \$15,000/\$30,000 70%
	\$6,000/\$12,000	\$6,000/\$12,000	100%	100%	100%	\$12,000/\$24,000 \$18,000/\$36,000 70%
	\$6,450/\$12,900	\$6,450/\$12,900	100%	100%	100%	\$12,900/\$25,800 \$19,350/\$38,700 70%

Please Note: Plans are available with or without Out-of-Network benefits.