

BeneBoost by ArmadaCare

Uncommon employer-sponsored supplemental insurance benefits for today's workforce

Options for Growing Healthcare Coverage Gaps

Nobody knows what the future holds, but employers are likely to face increasing pressures by moving to lower cost/higher deductible health plans. While this creates bottom line savings, it also causes financial strain and worry for employees. To help, many employers turn to an HSA with an employer contribution or opt to offer voluntary plans. But unfortunately, employees who can't fund their HSA adequately still end up with financial risk, and most voluntary plans offer limited coverage for everyday expenses incurred inside the deductible.

Shortcomings of HDHPs with HSAs

Having an HSA is (in theory) a way to help prevent this first-dollar coverage risk of a high deductible. However, those health account contributions are typically not enough to offset the average-sized deductible, leaving employees with worry about being able to afford the healthcare they need.



HDHP/HSAs:
\$2,500 individual deductible on average¹



Average HSA contribution:
\$750,² not enough for most deductibles



Timing issues:
HSA funds have to accumulate before they can be used



Financial worry:
Source of more health and productivity issues

BeneBoost: An Additional Back-Fill Option

Employees value the security of insurance coverage, but employers can't afford to offer the rich plans of yesterday. There is another way to cover the gap that also provides more valuable coverage than the commonly marketed voluntary plans. BeneBoost is a fully insured supplemental indemnity plan that offers coverage for routine and unexpected health events. With BeneBoost, employers have an alternative to their HSA contribution while still giving employees the option to fund an HSA on their own. This gives employees the best of both worlds: meaningful "first dollar" coverage inside the deductible while building their HSA for the future.

¹ SHRM, 2020

² SHRM, 2019

BeneBoost Quick Facts

- ✓ **Employer-sponsored**
- ✓ **Fixed benefit schedule:**
Payments based on a per day amount, for a maximum number of days per year
- ✓ **Flexible eligibility:**
Can be offered to all employees or select group(s) of employees; can offer to any enrollment tier (no need to match primary plan)
- ✓ **HSA-compatible:**
Can co-exist with HSA funding (if employer or employee want to fund HSA)
- ✓ **Guaranteed Issue:**
Annual contract; no pre-existing limitations or waiting period for covered benefits
- ✓ **Timing:** Can be written for the 1st of any month

HOW IT WORKS

With BeneBoost, employees can access their indemnity benefits from day one, even before their HSA funds have accumulated. Plus, this insured coverage goes beyond typical voluntary plans to cover everyday healthcare expenses, such as physician office visits, Rx and diagnostics. BeneBoost can help alleviate the strain of out-of-pocket medical expenses to help ensure employees seek necessary medical care to stay healthy and productive. With the typical premium similar to the average employer contribution to an HSA, it allows employers to provide more insured protection without significantly increasing their benefit budget.

| Illustrative Example |  ER Visit/Outpatient Kidney Stone Removal |  Lab Work/ Doctor Office Visit |  Maintenance Rx |
|------------------------------------|---|--|---|
| | Patient Out-of-Pocket Expense | \$500 | \$75 |
| Voluntary Cancer Policy Pays | \$0 | \$0 | \$0 |
| Voluntary HIP Plan Pays | \$0 | \$0 | \$0 |
| BeneBoost Insured Plan Pays | \$375 | \$125 | \$40 |

BENEFIT LIMITS

BeneBoost includes two plan options of either \$5,000 or \$10,000 family aggregated annual maximums. BeneBoost is available in select states only. Please contact us for availability and pricing.

| Indemnity Benefit | BeneBoost 150/20 Plan | | BeneBoost 100/15 Plan | |
|---------------------------------------|-----------------------|--------------------|-----------------------|--------------------|
| | Benefit Per Day | Annual Max Days | Benefit Per Day | Annual Max Days |
| Hospital Confinement | \$150 | 20 | \$100 | 15 |
| In-Patient Surgical | \$300 | 1/person; 2/family | \$250 | 1/person; 2/family |
| In-Patient Anesthesia | \$150 | 2 | \$100 | 2 |
| Emergency Room | \$75 | 2 | \$75 | 1 |
| Out-Patient Physical Therapy | \$50 | 10 | \$50 | 5 |
| Out-Patient Surgery | \$250 | 1/person; 2/family | \$200 | 1/person; 2/family |
| Out-Patient Anesthesia | \$150 | 2 | \$100 | 2 |
| Out-Patient Diagnostic Lab | \$75 | 2 | \$75 | 2 |
| Out-Patient Radiology | \$100 | 2 | \$100 | 2 |
| Office Visits | \$50 | 20 | \$50 | 15 |
| Prescription – Generic | \$15 | 25 | \$15 | 15 |
| Prescription – Brand Name | \$50 | 5 | \$40 | 5 |
| DME - Minor | \$50 | 1 | \$50 | 1 |
| DME - Major | \$500 | 1 | \$500 | 1 |
| Annual Policy Maximum – Family | \$10,000 | | \$5,000 | |

Premiums, insurance plans, coverage and availability may vary by state. Detailed coverage, exclusions and limitations are listed in the Certificate of Insurance, which will be provided during implementation.

*This is not local, state or federal tax advice as each person and company is unique. It is recommended that you seek the independent counsel of a professional tax adviser.

Underwritten by Sirius America Insurance Company, which has an A.M. Best Financial Strength Rating of "A-" (Excellent) as of March 4, 2020.

