



2019 LEVEL FUNDING ASO

DESIGNED FOR BUSINESSES WITH 5-99 EMPLOYEES



LEVEL FUNDING ASO OPTIONS



Strike the right balance.

Service and support you can trust.

Plans you can afford.

YOUR TRUSTED PARTNER

Blue Cross and Blue Shield of Kansas City (Blue KC) has made small businesses a priority for more than 75 years, and we understand the unique challenges you face today. Our new Level Funding Administrative Services Only (ASO) Options can help you stay within budget while delivering the high quality plans and service you have come to know and trust from Blue KC.



ANOTHER ALTERNATIVE FOR YOUR EMPLOYEE HEALTH BENEFITS

Blue KC Level Funding ASO Options provide a great alternative to traditional, fully insured small group health plans. The plans have been designed to be fully funded. Blue KC will help you evaluate your maximum claims risk and then blend specific and aggregate stop-loss insurance to create level funding you can budget for each month.

The monthly level funded money remitted to Blue KC will include:

- Administrative costs and stop-loss insurance
- Claims funding

Your maximum annual claims, including claims run-out liability, are predetermined to create level funding that is easy to administer. Employees can elect the following coverage levels:

- Employee Only
- Employee and Spouse
- Employee and Children
- Employee and Family

Your level funding has been carefully designed to ensure you neither over or under fund your plan. However, in the event your claims experience is lower than expected, you will receive back two-thirds of your unused claims dollars. Blue KC will retain one-third as a deferred administrative fee.

Advantages of Blue KC's Level Funding ASO Options:

- **Affordable** – Self-funded medical plans may be less costly than similar fully insured coverage options subject to modified community rating guidelines and may be exempted from some taxes and fees.
- **Comprehensive coverage** – Plans include comprehensive medical and pharmacy benefits along with Blue KC's award-winning customer service, comprehensive disease management programs, and innovative health advocacy support.



HEALTH AND WELLNESS

Blue KC can help your employees live a healthy lifestyle by giving the support and tools they need to live healthy and be well:

- **Wellness** – Blue KC offers a confidential online Health Risk Assessment. Your employees can track important risk factors such as blood pressure, cholesterol, and blood sugars providing valuable insight into health and lifestyle risks. In addition, your employees can log on to MyBlueKC.com on a desktop computer or mobile device to find exclusive healthcare resources.
- **Chronic Condition Support** – We provide powerful programs for members with chronic health issues to keep them engaged in the management of their condition and to help prevent unnecessary, costly visits and downstream

procedures. These holistic and integrated health management solutions deliver a Population Health strategy that drives better employee health and healthcare decisions.

- **Behavioral Health** – Blue KC, together with New Directions Behavioral Health (an independent company that manages Blue KC's behavioral health benefits), can help your employees find appropriate care for stress, anxiety, depression, alcohol or substance abuse or any other behavioral health condition.
- **Discounts** – Our Blue365® program offers discounts with local and national companies exclusively for Blue KC members.



OUR NETWORKS

Blue KC understands the importance of access to high quality healthcare services. Our provider contracting team ensures our networks deliver by negotiating rates that help keep care affordable while also ensuring each provider meets our Blue KC quality of care standards.

When your employees select a Blue KC product, it's important for them to also understand the provider network they have chosen.

Preferred-Care Blue®

Preferred-Care Blue (PPO) offers your employees the largest selection of providers within the Blue KC 32-county service area.

BlueSelect Plus

BlueSelect Plus offers affordability by using a high performance hospital and provider network. BlueSelect Plus is available for employees who reside in the 5-county Kansas City metropolitan area, which includes Clay, Jackson and Platte counties in Missouri, and Johnson and Wyandotte counties in Kansas. When traveling outside the 32-county Blue KC service area, BlueSelect Plus members are covered under the BlueCard PPO network.

BlueCard®

Most Blue KC plans allow you to take your healthcare benefits with you – across the country and around the world – with the BlueCard program. BlueCard gives you access to doctors and hospitals almost everywhere. Outside of the U.S., you have access to doctors and hospitals in nearly 200 countries and territories through the BlueCard Worldwide® program.

Blue-Care

Blue-Care (HMO) gives your employees the ability to select a Primary Care Physician (PCP) within the Blue KC 32-county service area. The PCP directs their medical care, monitors their health and also helps coordinate care.

In-Network Providers Bring Added Value

By choosing to receive services from an in-network provider, your employees will pay less than they would if they visit an out-of-network provider. The plan may not cover, or may not pay as much for medical costs billed by an out-of-network provider.

INTRODUCING A HEALTHCARE OPTION DESIGNED WITH YOUR EMPLOYEES IN MIND.



The Plan That Puts Care First

An innovative new plan from Blue KC, Spira Care combines the convenience of no-additional cost primary care with all the benefits of the BlueSelect Plus network. Offer your employees a simpler, more transparent and affordable healthcare experience. One where care and coverage come together under one roof. One that puts employee health, happiness and productivity at the center of it all.

- **No additional cost:** Primary care, including x-rays, labs and behavioral health services, is completely covered at two convenient, integrated Care Centers.
- **No deductibles or copays*†** There is no additional cost for procedures received at our convenient care center locations.
- **Care Guides who have your back:** Personalized help with insurance questions, managing claims, specialist referrals and more.
- **A network your employees can rely on:** In addition to our Spira Care Centers, members will have access to more than 3,000 physicians and specialists across the BlueSelect Plus network, which includes nine leading hospitals.

*There are no additional costs for any procedure provided at Spira Care Centers, but select prescriptions will be available on-site subject to applicable copay.

† Spira Care (HSA Eligible), non-preventive services have an affordable charge as required by law.

To learn more, visit SpiraCare.com.



FIND AN IN-NETWORK PROVIDER

The Blue KC **Find a Doctor** tool on BlueKC.com can help your employees find the most up-to-date and accurate information when they are looking to find, or get basic information about, an in-network doctor, hospital, or other healthcare provider.

Provider Finder Features

Here are just a few of the features your employees will see when using the Find a Doctor tool:

- Ability to search for in-network doctors and providers by name, procedure, specialty, and more
- One search tool to find doctors and providers in the neighborhood or across the country
- Helpful filters, including hospital affiliation and network

Quality and Cost Features

The Blue KC Doctor & Hospital Provider Finder also includes patient review and cost information. These helpful tools were designed to give your employees the knowledge and resources to make informed decisions and feel good about the healthcare they receive.

- **Blue Distinction® Total Care**

Blue Distinction Total Care (BDTC) is a national program comprised of locally tailored Blue Cross and Blue Shield value-based programs, including Patient-Centered Medical

Homes, Accountable Care Organizations or similar programs designed to demonstrate results in improving patients' health while managing costs. Members in some plans will have a lower copay if they receive care from a provider in the BDTC program.

- **Patient Review**

Rate Your Doctor allows Blue KC members to score doctors they've recently seen. Their feedback helps doctors and staff make improvements in services they provide to better meet patient needs.

- **Cost Information**

Blue KC's cost estimator tool provides information on the average cost of a procedure with a given doctor and at various facility locations. Members are able to identify where they can find savings and, when available, the quality ranking associated with doctors and facilities.



2019 BLUE KC LEVEL FUNDING ASO OPTIONS



Blue KC can help guide you in selecting the plan options for your organization. Choose up to five plan options that best fit the needs of your employees and your budget. Blue KC Level Funding ASO plans require a minimum of 5 enrollees to participate.

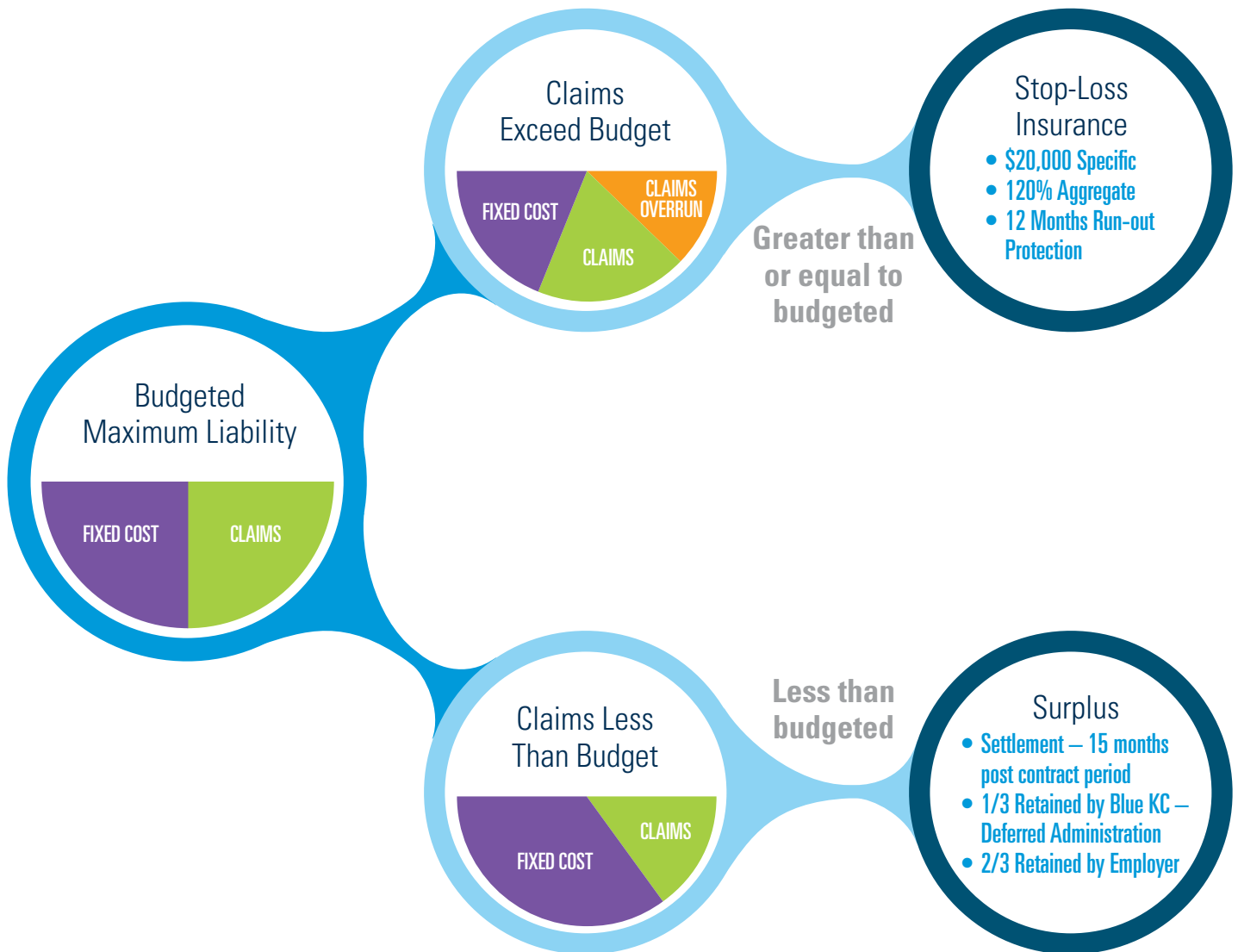
Plan Name	Member Coinsurance		Deductible				Out-of-Pocket Maximum				Copay / Cost-Share – Per Occurrence					Rx Copay / Cost-Share				Deductible Type ²	
	Network	Out-of-Network	Network		Out-of-Network		Network		Out-of-Network		Network ⁴					Network					
			Single	Family	Single	Family	Single	Family	Single	Family	PCP ¹	Spec	Urgent Care	ER	Facility / Hospital	Tier 1	Tier 2	Tier 3	Tier 4		
PCB PPO \$500 (OOPM \$1,500)	10%	30%	\$500	\$1,000	\$500	\$1,000	\$1,500	\$3,000	\$3,000	\$6,000	\$20	\$20	\$20	\$100 + Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB PPO \$500 (OOPM \$3,500)	20%	40%	\$500	\$1,500	\$500	\$1,500	\$3,500	\$7,000	\$7,000	\$14,000	\$25	\$25	\$25	\$100 + Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB PPO \$1,000 (OOPM \$2,500)	20%	40%	\$1,000	\$2,000	\$1,000	\$2,000	\$2,500	\$5,000	\$5,000	\$10,000	\$25	\$25	\$25	\$100 + Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB PPO \$1,000 (OOPM \$4,000)	20%	50%	\$1,000	\$3,000	\$1,000	\$3,000	\$4,000	\$8,000	\$8,000	\$16,000	\$30	\$30	\$30	\$100 + Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB PPO \$1,500 (OOPM \$4,500)	20%	40%	\$1,500	\$4,500	\$1,500	\$4,500	\$4,500	\$9,000	\$9,000	\$18,000	\$35	\$35	\$35	\$100 + Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB PPO \$2,700 (OOPM \$5,400)	20%	40%	\$2,700	\$5,400	\$2,700	\$5,400	\$5,400	\$10,800	\$10,800	\$21,600	\$40	\$40	\$40	\$100 + Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB PPO \$2,000 (OOPM \$5,000)	20%	40%	\$2,000	\$6,000	\$2,000	\$6,000	\$5,000	\$10,000	\$10,000	\$20,000	\$40	\$40	\$40	\$100 + Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB PPO \$1,500 (OOPM \$6,000)	20%	40%	\$1,500	\$3,000	\$1,500	\$3,000	\$6,000	\$12,000	\$12,000	\$24,000	\$35	\$35	\$35	\$100 + Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB PPO \$3,000 (OOPM \$3,000)	0%	20%	\$3,000	\$6,000	\$3,000	\$6,000	\$3,000	\$6,000	\$6,000	\$12,000	\$40	\$40	\$40	Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB PPO \$3,000 (OOPM \$5,000)	20%	40%	\$3,000	\$6,000	\$3,000	\$6,000	\$5,000	\$10,000	\$10,000	\$20,000	\$40	\$40	\$40	\$100 + Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB PPO \$4,000 (OOPM \$4,000)	0%	20%	\$4,000	\$8,000	\$4,000	\$8,000	\$4,000	\$8,000	\$8,000	\$16,000	\$40	\$40	\$40	Deductible	Deductible	\$15	\$70	\$110	\$200	Emb	
PCB PPO \$5,000 (OOPM \$6,500)	20%	40%	\$5,000	\$10,000	\$5,000	\$10,000	\$6,500	\$13,000	\$13,000	\$26,000	\$40	\$40	\$40	\$100 + Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB BlueSaver HSA \$2,700	0%	20%	\$2,700	\$5,400	\$2,700	\$5,400	\$2,700	\$5,400	\$10,800	\$21,600	Deductible	Deductible	Deductible	Deductible	Deductible	Deductible				Emb	
PCB BlueSaver HSA \$4,000	20%	40%	\$4,000	\$8,000	\$4,000	\$8,000	\$5,500	\$11,000	\$11,000	\$22,000	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins				Emb	
PCB BlueSaver HSA \$5,000	10%	30%	\$5,000	\$10,000	\$5,000	\$10,000	\$6,450	\$12,900	\$12,900	\$25,800	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins				Emb	
BlueSelect Plus ³ PPO \$2,000	20%	50%	\$2,000	\$4,000	\$2,000	\$4,000	\$4,000	\$8,000	\$20,000	\$40,000	\$40	\$40	\$100	\$100 + Ded/Coins	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
BlueSelect Plus ³ BlueSaver \$3,000	0%	30%	\$3,000	\$6,000	\$3,000	\$6,000	\$3,000	\$6,000	\$15,000	\$30,000	Deductible	Deductible	Deductible	Deductible	Deductible	Deductible				Emb	
BlueSelect Plus ³ PPO \$4,000	0%	30%	\$4,000	\$8,000	\$4,000	\$8,000	\$4,000	\$8,000	\$20,000	\$40,000	\$40	\$40	\$40	\$100 + Deductible	Deductible	\$15	\$70	\$110	\$200	Emb	
BlueSelect Plus ³ EPO \$4,000	0%	N/A	\$4,000	\$8,000	N/A	N/A	\$4,000	\$8,000	N/A	N/A	\$40	\$40	\$40	\$100 + Deductible	Deductible	\$15	\$70	\$110	\$200	Emb	
BlueSelect Plus ³ BlueSaver PPO \$5,000	10%	40%	\$5,000	\$10,000	\$5,000	\$10,000	\$6,450	\$12,900	\$32,250	\$64,500	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins				Emb	
BlueSelect Plus ³ BlueSaver EPO \$5,000	10%	N/A	\$5,000	\$10,000	N/A	N/A	\$6,450	\$12,900	N/A	N/A	\$40	\$40	\$40	Ded/Coins	Ded/Coins	Ded/Coins				Emb	
Blue-Care HMO	—	—	—	—	—	—	\$3,300	\$6,600	—	—	\$30	\$60	\$60	\$100	\$400	\$15	\$70	\$110	\$200	—	
PCB Personal Blue PPO HRA	0%	20%	\$3,000	\$6,000	\$3,000	\$6,000	\$3,000	\$6,000	\$6,000	\$12,000	\$40	\$40	\$40	Deductible	Ded/Coins	\$15	\$70	\$110	\$200	Emb	
PCB AffordaBlue	0%	20%	\$5,500	\$11,000	\$5,500	\$11,000	\$5,500	\$11,000	\$11,000	\$22,000	\$30	\$30	\$30	Deductible	Deductible	\$20	Not Covered			Emb	
BlueSelect Plus ³ Spira Care EPO \$1,500	0%	N/A	\$1,500	\$3,000	N/A	N/A	\$1,500	\$3,000	N/A	N/A	Spira No Charge ⁵ BSP Ded		Deductible	Deductible	Deductible	Deductible	\$15	\$50	Deductible		Emb
BlueSelect Plus ³ Spira Care HSA ⁶ \$3,000	0%	N/A	\$3,000	\$6,000	N/A	N/A	\$3,000	\$6,000	N/A	N/A	Deductible ⁶ ; then no charge at Spira		Deductible	Deductible	Deductible	Deductible	Deductible	Deductible	Deductible		Emb
BlueSelect Plus ³ Spira Care EPO \$3,500	0%	N/A	\$3,500	\$7,000	N/A	N/A	\$3,500	\$7,000	N/A	N/A	Spira No Charge ⁵ BSP Ded		Deductible	Deductible	Deductible	Deductible	\$15	\$50	Deductible		Emb
BlueSelect Plus ³ Spira Care EPO \$7,000	0%	N/A	\$7,000	\$14,000	N/A	N/A	\$7,000	\$14,000	N/A	N/A	Spira No Charge ⁵ BSP Ded		Deductible	Deductible	Deductible	Deductible	\$15	\$50	Deductible		Emb

¹ Primary Care Physicians include General Practice, Family Practice, Internal Medicine, and Pediatrics.
² Embedded - An individual deductible you must satisfy each calendar year before benefits will be paid. Aggregate - The entire family deductible must be satisfied each calendar year before benefits for any person will be paid.
³ A high performing network, BlueSelect Plus, is limited to groups located in the 5-county Kansas City metropolitan area, which includes Clay, Jackson, and Platte counties in Missouri, and Johnson and Wyandotte counties in Kansas. The BlueSelect Plus products are only available to employees who reside within the 5-county metro area.
⁴ Additional coinsurance may apply. EPO plans do not provide coverage for Out of Network services except in cases of emergency.
⁵ Only primary care services received at a Spira Care Center are at no cost. All other primary care services available through the BlueSelect Plus network are subject to deductible.
⁶ Spira Care (HSA Eligible), non-preventive services have an affordable charge as required by law.



UNDERSTANDING YOUR PLAN

This guide was created to provide a quick overview of how the Blue KC Level Funding ASO Options plans function. These are self-funded plans designed specifically for the needs of small employers. Comprised of maximum claims funding, administrative services and stop-loss insurance, the Blue KC Level Funding ASO Options plans are easy to administer.



Please note Fixed Costs include administration fees and stop-loss insurance premiums.

Self Funding

As an employer, when you choose to provide a self-funded medical plan, you are responsible for your employees' medical benefits directly. Your company assumes direct risk for the payment of claims filed with your plan. Blue KC Level Funding ASO Options plans have been specifically packaged for ease of administration and limited risk.

The Medical Plan

Blue KC offers a suite of Level Funding ASO Options plan designs. You may select up to five plan designs for your employees to choose from. Blue KC will provide a Benefit Booklet explaining the plan benefits, exclusions, and limitations.

Administrative Services Agreement

Blue KC will manage all claims administration for your Medical Plan. The Administrative Services Agreement is the contract you will sign authorizing Blue KC to process claims, billing, reporting, enrollment, membership changes, customer services, materials fulfillment, etc.

Stop-Loss Insurance Policy

The Stop-Loss Insurance Policy, also referred to as an Excess Loss Insurance Policy, protects your self-funded group health plan from catastrophic claims incurred by a single covered member (specific stop loss) or overall protections in the event that all of the claims exceed the dollar amount budgeted (aggregate stop loss). Blue KC Level Funding ASO Options plans include specific stop loss at \$20,000 and aggregate stop loss of 120 percent. This coverage will be for a 12-month contract period plus an additional 12-month run-out period. The Stop-Loss Insurance Policy outlines the coverage included with your Blue KC Level Funding ASO Options plan.

Note – The stop-loss policy is issued by Missouri Valley Life and Health Insurance Company (MVLH), a wholly-owned subsidiary of Blue KC.

Claim Funding

Blue KC Level Funding ASO Options plans have been specifically designed to determine your maximum claims liability. Once determined, the amount of your maximum claims liability will be remitted by you to Blue KC each month based on enrollment on the 20th day of the prior month. Money not paid out in claims in a given month will roll over. If your claims exceed the aggregate or specific stop-loss thresholds, your Stop-Loss Insurance Policy covers the additional eligible claims.

Year-End Settlement

In the event your plan does not incur the budgeted maximum claims liability, the medical plan will share the benefits of a positive claims experience. Two-thirds of the unused claims funds will be returned to the medical plan and one-third will be retained by Blue KC to help offset administrative costs (deferred administration fee). Settlement reconciliation will occur 15 months post the contract period (plan year).

Contractual Agreements

As an employer, you are directly responsible for your self-funded medical plan. Any services provided by Blue KC to help administer your plan must be supported by contracts. The following legal documents must be agreed to and signed by both parties.

- Business Associate Agreement (BAA)
- Administrative Services Agreement (ASA)
- Excess Loss Agreement (MVLH)

Financial Responsibility

Claims liability for a self-funded medical plan belongs to the employer and not Blue KC.

Payment and reporting related to fees is the responsibility of the plan sponsor. ASO groups remain responsible for paying the PCORI fee. Per <https://www.irs.gov/uac/newsroom/patient-centered-outcomes-research-institute-fee> Groups should: "File the second quarter Form 720 annually to report and pay the fee no later than July 31 of the calendar year immediately following the last day of the policy year or plan year to which the fee applies."



ADDITIONAL INFORMATION

Billing & Payment

Blue KC Level Funding ASO Options Plans will require electronic remittance of all plan funds (monthly maximum claims liability, administrative fees, and stop-loss insurance fees) by the first of the month. If the funds are not received, all claims payments will be put on hold until appropriate funds are received. If remittance is not received by the end of the month, your plan will be terminated (including Stop-Loss Insurance and Administrative Services).

Date	Sample Monthly Billing Cycle for May
April 20	E-bill Generated (viewable online within 48 hours)
May 1	May payment due
May 1	May remittance pulled via Electronic Fund Transfer (EFT)
May 10	Blue KC confirms May payment has posted
May 10	If payments have not posted, all claims payments will be immediately pended
May 31	If May payment has not posted, plan will be terminated effective May 1, and May claims will be denied

Note – Employers electing a Blue KC Level Funding ASO Options Plan will be required to provide Blue KC with a binder check equal to the first month remittance (maximum claims liability, administrative services fees and Stop-Loss Insurance). This must be received prior to any plan setup occurring in Blue KC's systems.

Important: Self-Funded Plan Group Responsibilities

Offering a Self-Funded Group Health Plan has many unique benefits; however, there are also additional actions and responsibilities. Blue KC recommends that employers work with legal counsel to ensure they are able to fully fulfill the obligations of the Self-Funded Group Health Plan. Below is a list of helpful resources:

- ASO groups remain responsible for paying the PCORI fee. Per <https://www.irs.gov/uac/newsroom/patient-centered-outcomes-research-institute-fee> Groups should: "File the second quarter Form 720 annually to report and pay the fee no later than July 31 of the calendar year immediately following the last day of the policy year or plan year to which the fee applies."
- Health Benefits Plan Resource Guide, provided by Blue KC and available online at BlueKC.com, or by contacting your Blue KC marketing representative.
- The Employee Benefits Security Administration's Guide *Understanding Your Fiduciary Responsibilities Under a Group Plan* available at <http://www.dol.gov/ebsa/publications/ghpfiduciaryresponsibilities.html>.
- The Center for Consumer Information & Insurance Oversight, www.CMS.gov.
- Minimum Essential Coverage Reporting (section 6055) is the responsibility of the Group. More information is available at <https://www.irs.gov/affordable-care-act/questions-and-answers-on-information-reporting-by-health-coverage-providers-section-6055>.

QUESTIONS?

If you need more information or have questions, contact your broker. You can also visit us online at **BlueKC.com**.



GET STARTED

The time is right and the options are abundant, so why wait to get the benefits your employees need? **If you need more information or have questions, contact your broker. You can also visit us online at BlueKC.com.**

Disclosure Notices

All plans that cover prescription drugs are considered creditable coverage for Medicare Part D.

Blue KC subcontracts with other organizations to perform certain services such as utilization management (e.g., hospital concurrent review, prior authorizations, peer medical necessity review, denials/approvals, appeals), member complaints, provider credentialing, and case management for members with complex and catastrophic conditions.



Kansas City

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