



Health Benefits 2.0

Frequently Asked Questions

Who is behind the AAFD Health Benefit Program?

The following partners administer and insure our programs:



S&S Health

S&S Health was established 27 years ago in Cincinnati, Ohio. They offer modular technology within a proprietary claims platform that delivers a premiere national healthcare solution. They support Employers, Brokers, Consultants, Other TPA's and Direct to Employer health plan solutions. The company processes just over \$1 Billion in claims, annually, servicing just under 500,000 employee lives in over 1,000 employer groups.



Providence Insurance Company

As an International Insurer, Providence Insurance Company has a singular structure in the global insurance marketplace which empowers us to offer more unique coverage to more policyholder at a greater advantage than alternative structures. We are a United States Corporation subject to the tax and insurance laws of Puerto Rico while holding all assets in United States dollars. We have the benefit of the United States civil system, currency, and stability while also enjoying the flexibility of Puerto Rico's business advantaged local codes.

Why are these plans different?

All AAFD Health Benefits share the following common traits:

- *No Deductible*
- *ACA Compliant*
- *Guarantee-Issue*
- *Guaranteed Pricing*
- *No Health Questions*
- *\$0 Cost Telemedicine*
- *No Coinsurance (only copays)*
- *No Cumbersome Applications*
- *Minimum two W2 Employees*
- *No Minimum Employer Contribution*
- *Comprehensive Benefits (Major Medical)*
- *Meets ACA "Affordability" Compliance Requirements*
- *Same Rates in all 50 States, Regardless of: Age, Sex, Health, Industry*

Coinsurance, Copay, Deductible: What are they?

- **Coinsurance is the percentage of costs you pay** *after* you've met your deductible.
- **Copay is a set rate you pay** for prescriptions, doctor visits, and other types of care. It is almost always less expensive than the percentage amount you would pay. *A plan with copays is better than a plan with coinsurance.*
- **Deductible is the set amount you pay** for medical services and prescriptions *before* your coinsurance kicks in.

What is Reference Based Pricing (RBP)?

Reference-based pricing in healthcare is a model that pays claims based on an established benchmark (typically 150% of the Medicare reimbursement rate) rather than based on a carrier-determined fee. This means employers' health care costs are set based on reference prices, not arbitrary markups from carriers. The two main company benefits: Significantly reduces insurance claim costs. Allows plan members to freely choose between in-patient facilities, rather than being restricted by a network. To more concisely explain Reference Based Pricing, please go to [HSTechnology](#) and watch the short video (sound on).

What are the Minimum Group Requirements?

All AAFD Health Benefits can be activated with a minimum of two W-2 employees, no matter how many total employees there are¹. At this time, no employee waivers are required of employees who choose to opt out of any of the group health plans. Groups with as few as two employees may choose multiple plans* (up to four).

When are Reference Based Prices employed?

All AAFD Health Benefits use the PHCS PAN (Practitioner and Ancillary) PPO network for all outpatient physician encounters. If a member requires in-patient hospital/surgical care or outpatient surgery, they must first receive pre-authorization to avoid the possibility of being balance billed. To find an in-network provider or facility, follow these instructions:

- a. Go to [MultiPlan Provider Search](#)
- b. Click **SELECT NETWORK** and then click **PHCS** in the box that opens
- c. Click **PRACTITIONER & ANCILLARY** when the next box opens
- d. Follow instructions to find a provider on the next page

Why do all the AAFD Health Benefits renew on June 1?

While each group is individually insured and reinsured, the entire block of AAFD Health Benefits business renews on June 1, so that all groups can spread their risk over a much broader pool, thereby mitigating the potential for large rate increases. In 2020 and 2021, the entire block of business had a 2% rate increase and a 0% rate increase, respectively.

How can AAFD offer these plans on a Guarantee-Issue basis?

The AAFD Health Benefits plans can be offered on a guarantee-issue basis because they reduce their costs and limit claim liability through the use of Reference Based Pricing (see above explanation) and by employing “*The Law of Large Numbers*”¹. In addition, they have eliminated or limited a number of high-cost benefits. The *MEC plans* do not offer in-patient hospital or surgical benefits and limit the number of out-patient visits and procedures. The *AAFD Plus, Premier* and *Ultimate plans* do not cover claims outside the U.S., infertility treatment and skilled nursing facilities. In addition, the *Plus* and *Premier plans*, do not afford coverage for radiation & chemotherapy, organ transplants, dialysis and hospice care.^{***} Specialty (Tier 5) drugs are not covered on any AAFD Health Benefits plan.

¹**NYS Insurance Department** requires an employer to have at least 100 employees. However, the employees do not need to be W-2. So, an employer with 150 1099 or part time employees and 4 W-2 employees, need only enroll 2 of the W-2 employees to activate any IHP plan.

***The following number of plans may be offered to groups with:**

- 2-5 employees: 2 plans
- 6-24 employees: 3 plans
- 25+ employees: 4 plans

****The Law of Large Numbers is used to predict the risk of loss or claims of some participants so that the premium can be calculated appropriately.** Insurance companies use the law of large numbers to lessen their own risk of loss by pooling a large enough number of people together in an insured group.

*****Note:** If any of the excluded benefits are important to you or your employees, you might want to consider other plans. It is your responsibility to discuss this with your employees. ***Please review all exclusions before enrolling in a plan or plans.***