

State: Arkansas **Filing Company:** HMO Partners, Inc. d/b/a Health Advantage
TOI/Sub-TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002A Any Size Group - PPO
Product Name: Amendment & Application
Project Name/Number: Amendment & Application/34-153 1/13, GRPAPP-HA R08/12

Filing at a Glance

Company: HMO Partners, Inc. d/b/a Health Advantage
 Product Name: Amendment & Application
 State: Arkansas
 TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)
 Sub-TOI: HOrg02G.002A Any Size Group - PPO
 Filing Type: Form
 Date Submitted: 08/30/2012
 SERFF Tr Num: HLAD-128667231
 SERFF Status: Closed-Approved-Closed
 State Tr Num:
 State Status: Approved-Closed
 Co Tr Num: 34-153 1/13, GRPAPP-HA R08/12
 Implementation: On Approval
 Date Requested:
 Author(s): Christi Kittler, Yvonne McNaughton, Frank Sewall, Rita Thatcher, Evelyn Laney
 Reviewer(s): Rosalind Minor (primary)
 Disposition Date: 09/26/2012
 Disposition Status: Approved-Closed
 Implementation Date:
 State Filing Description:

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TOI/Sub-TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002A Any Size Group - PPO
Product Name: Amendment & Application
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General Information

Project Name: Amendment & Application Status of Filing in Domicile: Pending
 Project Number: 34-153 1/13, GRPAPP-HA R08/12 Date Approved in Domicile:
 Requested Filing Mode: Review & Approval Domicile Status Comments: Arkansas is state of domicile.
 Explanation for Combination/Other: Market Type: Group
 Submission Type: New Submission Group Market Size: Small
 Group Market Type: Employer Overall Rate Impact:
 Filing Status Changed: 09/26/2012 Deemer Date:
 State Status Changed: 09/26/2012 Submitted By: Evelyn Laney
 Created By: Evelyn Laney
 Corresponding Filing Tracking Number:

PPACA: Not PPACA-Related

PPACA Notes: null

Filing Description:

Attached please find forms 34-153 1/13 and GRPAPP-HA R08/12 for your review and approval if indicated.
 Form 34-153 provides an embedded deductible and coinsurance provision. In this revised application, GRAPP-HA, we have changed the COBRA language as well as included the embedded deductible and coinsurance feature for HSA's.
 Also attached is a Flesch Reading Ease score certification signed by an officer of the company as required by Arkansas Code Annotated §23-80-206(d).
 I certify that the submission meets the provisions of Arkansas Insurance Department Rule & Regulation 19. I further certify that the Life and Health Guaranty Association Notices required by Arkansas Insurance Department Rule & Regulation 49 and the consumer information notice required by Arkansas Code Annotated §23-79-138 are incorporated in the Evidences of Coverage to which this amendment is attached.
 Please feel free to contact me at 378-2165 with any questions you may have.

Company and Contact

Filing Contact Information

Evelyn Laney, Senior Compliance Analyst exlaney@arkbluecross.com
 320 West Capitol, Ste 211 501-378-2165 [Phone]
 Little Rock, AR 72201 501-378-2975 [FAX]

Filing Company Information

HMO Partners, Inc. d/b/a Health Advantage	CoCode: 95442	State of Domicile: Arkansas
320 West Capitol	Group Code:	Company Type:
Little Rock, AR 72203-8069	Group Name:	State ID Number: N/A
(501) 378-2967 ext. [Phone]	FEIN Number: 71-0747497	

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No

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Fee Explanation: \$50. per form
Per Company: No

Company	Amount	Date Processed	Transaction #
HMO Partners, Inc. d/b/a Health Advantage	\$100.00	08/30/2012	62171788

SERFF Tracking #:

HLAD-128667231

State Tracking #:**Company Tracking #:**

34-153 1/13, GRPAPP-HA R08/12

State:

Arkansas

Filing Company:

HMO Partners, Inc. d/b/a Health Advantage

TOI/Sub-TOI:

HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002A Any Size Group - PPO

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	09/26/2012	09/26/2012
Approved-Closed	Rosalind Minor	09/10/2012	09/10/2012

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	Application	Christi Kittler	09/26/2012	09/26/2012

State: Arkansas **Filing Company:** HMO Partners, Inc. d/b/a Health Advantage
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Disposition

Disposition Date: 09/26/2012

Implementation Date:

Status: Approved-Closed

HHS Status: HHS Approved

State Review: Reviewed-No Actuary

Comment:

This submission was re-opened in order for you to add the Outpatient Copayment to the BlueChoice Open Access Plan section. The replaced application is being approved on this date.

The amendment will maintain the approval date of 9/10/12.

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Health - Actuarial Justification	Approved-Closed	Yes
Supporting Document	PPACA Uniform Compliance Summary	Approved-Closed	Yes
Form	Amendment	Approved-Closed	Yes
Form (revised)	Application	Approved-Closed	Yes
Form	Application	Replaced	Yes

State: Arkansas **Filing Company:** HMO Partners, Inc. d/b/a Health Advantage
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Disposition

Disposition Date: 09/10/2012

Implementation Date:

Status: Approved-Closed

HHS Status: HHS Approved

State Review: Reviewed-No Actuary

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Health - Actuarial Justification	Approved-Closed	Yes
Supporting Document	PPACA Uniform Compliance Summary	Approved-Closed	Yes
Form	Amendment	Approved-Closed	Yes
Form (revised)	Application	Approved-Closed	Yes
Form	Application	Replaced	Yes

SERFF Tracking #:

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34-153 1/13, GRPAPP-HA R08/12

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Amendment Letter

Submitted Date: 09/26/2012

Comments:

The amendment is fine "as is." However, we added the Outpatient Copayment to the BlueChoice Open Access Plan section so we could easily verify Summaries of Benefits and Coverage. No other changes were made to this application.

Thanks so much!

Christi

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
GRPAPP-HA R08/12	Application/Enrollment Form	Application	Revised		GRPAPP-HA R04/12	GRPAPP-HA R08/12		GRPAPP HA R08-12.pdf

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Form Schedule

Lead Form Number: 34-153 1/13							
Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments
1	Approved-Closed 09/10/2012	34-153 1/13	CERA	Amendment	Initial:	40.700	34-153 8-12EmbeddedDed.pdf
2	Approved-Closed 09/26/2012	GRPAPP-HA R08/12	AEF	Application	Revised: Replaced Form #: GRPAPP-HA R08/12 Previous Filing #: GRPAPP-HA R04/12		GRPAPP HA R08-12.pdf

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NOC	Notice of Coverage
OTH	Other	OUT	Outline of Coverage
PJK	Policy Jacket	POL	Policy/Contract/Fraternal Certificate
POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	SCH	Schedule Pages



The following Health Advantage Evidences of Coverage are hereby amended.

Evidence of Coverage, HSA Open Access Plan, Form #: 31-06

Evidence of Coverage, HSA Open Access Plan with Preexisting, Form #31-07

PROVIDER NETWORK AND COST SHARING PROCEDURES, Subsection 5.2.1 is hereby amended to read as follows.

Deductible. For those covered Health Interventions, which are specified in the Schedule of Benefits as being subject to a Deductible, each Contract Year, before the Plan makes a benefit payment, a Member must pay the cost of a covered service equal to the Annual Deductible specified in the Schedule of Benefits. The Deductible may be adjusted annually for inflation, in accordance with the provisions of §223 of the Internal Revenue Code of the United States of America as amended, so that (a) the Evidence of Coverage will meet the minimum deductible requirements for a High Deductible Health Plan or (b) the Member will be able to make the maximum allowable contribution to a Health Savings Account ("HSA"). If the Plan provides family coverage, and the Schedule of Benefits specifies a dollar amount for Family Annual Deductible, once one family member meets the Individual Annual Deductible and the remaining family members accumulate charges equal to the dollar amount specified for Family Annual Deductible, no further Deductible will be required for the balance of the year, regardless of what member of the family incurs the claim.

PROVIDER NETWORK AND COST SHARING PROCEDURES, Subsection 5.2.2.a.i.(2). is hereby amended to read as follows.

If the Plan provides family coverage (coverage other than individual coverage), all of the Members in the family will meet the Family Annual Coinsurance Maximum once one Member of the family incurs Allowed Charges for services and supplies from In-Network Providers that equal or exceed the Individual Annual Coinsurance Maximum specified in the Schedule of Benefits and one or more of the remaining family members incur Allowable Charges equal to or exceeding the Family Annual Coinsurance Maximum specified in the Schedule of Benefits.

This amendment becomes a part of the Health Advantage Evidence of Coverage. All provisions of the Evidence of Coverage which are not contrary to the provisions of this amendment remain in full force and effect.

David F. Bridges, President
HMO PARTNERS, INC, d/b/a/ HEALTH ADVANTAGE
P.O. Office Box 8069, Little Rock, Arkansas 72203-8069



Health Advantage
An Independent Licensee of the Blue Cross and Blue Shield Association

**EMPLOYER APPLICATION
 [Trust Participation Agreement]
 [Blues Enroll] [Electronic Transfer]**

[RENEWAL] APPLICATION by:

(hereinafter called "Group")

for a Group Contract covering the employees of the Group and the eligible dependents of such employees. The Group intends hereby to establish and maintain an employee benefit plan (the "Plan") for the Group's employees and eligible dependents, to contribute to the cost of the Plan, and to actively promote the Plan to the Group's employees.

[SECTION 1.] GROUP INFORMATION

Legal Name of Business:

D/B/A:

Street Address:

City, State, Zip:

County:

Mailing Address: (if different from Street):

City, State, Zip:

Telephone #:

Fax #:

Fed. Tax I.D. #:

Business Type: [Sole Proprietorship] [Legal Partnership]
 [Corporation] [Government Entity]

Exec. Contact:

E-Mail:

Group Administrator:

E-Mail:

Primary SIC Code:

SIC Description:

Agent:

Agent's Lic. #:

Agent's Company:

Agent's Tax Id:

[SECTION 2.] GROUP AS PLAN ADMINISTRATOR

The Group, as Plan Administrator, assumes responsibility for the accuracy of information presented to Health Advantage ("HA"), including all information on the employment status and eligibility of individuals to be covered under the Plan, as well as medical information provided with respect to each such individual. The Group agrees that if misrepresentations are made in any of the information provided for rating or in this Group Application or any of the materials submitted with it, including, but not limited to, individual applications and medical information, then HA may cancel or rescind this Group Contract. The Group further agrees that if misrepresentations or false or misleading information is presented in filing of any claims hereunder ("improper claims"), HA may cancel or rescind the coverage of any individual involved in presenting such a claim. Further, HA may cancel or rescind the entire Group Contract if the Group or any representative of the Group knew or should have known of the improper claims, or if the Group's action or inaction contributed to presentation of improper claims.

[SECTION 3.] BENEFIT PLAN OPTIONS**[CARVE-OUT HSA – HEALTH ADVANTAGE]**

Employers may select a Blue~by~design HSA benefit option for one class of employees and pair it with a POS benefit option for any other class of employees.

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution		
		[0-365 days]	[other]	POS Employee	% Dependent	%
				HSA Employee	% Dependent	%

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent Age [26-27]

Mandated Mental Health Parity – [Yes][No]

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

[BLUE~BY~DESIGN HSA]

[Annual HSA Contribution by Tier:]

Employee Only: _____ Employee/Spouse: _____ Employee/Child: _____ Family: _____

HSA Contribution Frequency: [Annual] [Monthly] [Semi-Monthly]

Deductible:

Individual In-Network: [\$1,200*-\$6,000] [Aggregate-Embedded] Family In-Network: [\$2,400*-\$10,800]

Individual Out-of-Network: [\$2,400-\$10,800] [Aggregate-Embedded] Family Out-of-Network: [\$4,800-\$21,600]

Coinsurance:

In-Network [80% - 100%] Out-of-Network [60%-80%]

Annual Coinsurance Maximum:

Individual In-Network: [\$0-\$10,000*] [Aggregate-Embedded] Family In-Network: [\$0 - \$20,000*]

Individual Out-of-Network [\$8,000 – Unlimited] [Aggregate-Embedded] Family Out-of-Network [\$16,000 – Unlimited]

**adjusted annually for inflation January 1, in accordance with the provisions of Section 223 of the Internal Revenue Code of the United States of America as amended*

Lifetime Maximum: Unlimited

Wellness: [Traditional Wellness] [Health Care Reform]

Drug Coverage:

[Standard Formulary - Subject to Deductible [+ Coinsurance]] [Value Formulary – Subject to Deductible + Coinsurance]

[Essential Care Formulary - Subject to Deductible [+ Coinsurance]] [No Coverage] [HSA Preventive RX List]

[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]

Optional Benefits:

[Air Ambulance 10,000]

[Blue Card]

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]

[Hearing Aid [Elect][Reject]]

[Mental Health/Substance Abuse [Elect] [Reject]]

[Mental Health Parity [Elect] [Reject]]

**Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

[Life, AD&D and STD Coverage]

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

*[*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Health Advantage. USable Life does not sell or service Health Advantage products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

[Term Life and AD&D through USable Life is Not Provided.]

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[BLUECHOICE POS OPEN ACCESS PLANS] [PRE-X] [WITHOUT PRE-X]**Coinsurance In/Out:** [10%-30%/30%-50%]**PCP/Specialist:** [\$25/\$35]**Emergency Room:** [\$50-\$250]**Inpatient In-Network:** [\$0-\$500]**Outpatient Copay** [\$0-\$200][Other]**Inpatient Out-of-Network:** [30%-50%]**Deductible In-Network:** [\$0-\$5,000/\$0-\$15,000]**Deductible Out-of-Network:** [\$750-\$15,000/\$2,250-\$45,000]**In-Network Coinsurance Maximum:** [\$0-\$10K/\$0K-\$30K] [unlimited]**Out-of-Network Coinsurance Maximum:** [\$6K-\$32K/\$18K-\$96K] [unlimited]**Lifetime Maximum:** Unlimited**Wellness:** [Traditional Wellness][Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None][Value Formulary][Standard Formulary]

[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]

Optional Benefits:

[Air Ambulance \$10,000]

[Blue Card]

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]

[Hearing Aid [Elect][Reject]]

[Mental Health/Substance Abuse [Elect] [Reject]]

[Mental Health Parity [Elect][Reject]]

**Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

[Life, AD&D and STD Coverage]

[[\$15,000 - \$500,000 Group Life and AD&D]

[STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

[*Must have life coverage to be eligible for STD.]

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USABLE Life is an independent company and operates separately from Health Advantage. USABLE Life does not sell or service Health Advantage products. USABLE Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USABLE Life.]]

[Term Life and AD&D through USABLE Life is Not Provided.]**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[BLUE~BY~DESIGN HSA]**

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent age [26-27]**Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

*Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.***[Annual HSA Contribution by Tier:]**

Employee Only: _____ Employee/Spouse: _____ Employee/Child: _____ Family: _____

HSA Contribution Frequency: [Annual] [Monthly] [Semi-Monthly]**Deductible:**

Individual In-Network: [\$1,200*-\$6,000] [Aggregate-Embedded] Family In-Network: [\$2,400*-\$10,800]

Individual Out-of-Network: [\$2,400-\$10,800] [Aggregate-Embedded] Family Out-of-Network: [\$4,800-\$21,600]

Coinsurance:

In-Network [80% - 100%] Out-of-Network [60%-80%]

Annual Coinsurance Maximum:

Individual In-Network: [\$0-\$10,000*] [Aggregate-Embedded] Family In-Network: [\$0 - \$20,000*]

Individual Out-of-Network [\$8,000 – Unlimited] [Aggregate-Embedded] Family Out-of-Network [\$16,000 – Unlimited]

adjusted annually for inflation January 1, in accordance with the provisions of Section 223 of the Internal Revenue Code of the United States of America as amended*Lifetime Maximum:** Unlimited**Wellness:** [Traditional Wellness][Health Care Reform]**Drug Coverage:**

[Standard Formulary - Subject to Deductible [+ Coinsurance]] [Value Formulary – Subject to Deductible + Coinsurance]

[Essential Care Formulary - Subject to Deductible [+ Coinsurance]] [No Coverage] [HSA Preventive RX List]

*[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]***Optional Benefits:**

[Blue Card]

[Air Ambulance: \$10,000]

Arkansas Mandated Offer Benefit Riders:**You must Elect or Reject Each Rider**

TMJ [Elect] [Reject*]

[Hearing Aid [Elect][Reject]]

[Mental Health/Substance Abuse [Elect] [Reject]]

[Mental Health Parity [Elect][Reject]]

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[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

*[*Must have life coverage to be eligible for STD.]*

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[Term Life and AD&D through USABLE Life is Not Provided.]**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[BLUECHOICE POS OPEN ACCESS PLANS] [PRE-X] [WITHOUT PRE-X]**

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent Age [26-27]**Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

*Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.***Coinsurance In/Out:** [10%-30%/30%-50%] **PCP/Specialist:** [\$25/\$35]**Emergency Room:** [\$50-\$250] **Inpatient In-Network:** [\$0-\$500] **Outpatient Copay** [\$0-\$200][Other]**Inpatient Out-of-Network:** [30%-50%] **Deductible In-Network:** [\$0-\$5,000/\$0-\$15,000]**Deductible Out-of-Network:** [\$750-\$15,000/\$2,250-\$45,000]**In-Network Coinsurance Maximum:** [\$0-\$10K/\$0K-\$30K] [unlimited]**Out-of-Network Coinsurance Maximum:** [\$6K-\$32K/\$18K-\$96K] [unlimited]**Lifetime Maximum:** Unlimited **Wellness:** [Traditional Wellness][Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None][Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]***Optional Benefits:**

[Air Ambulance \$10,000] [Blue Card]

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*] [Hearing Aid [Elect][Reject]]

[Mental Health/Substance Abuse [Elect] [Reject]] [Mental Health Parity [Elect][Reject]]

Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*[Life, AD&D and STD Coverage]**

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

[*Must have life coverage to be eligible for STD.]

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Health Advantage. USable Life does not sell or service Health Advantage products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

[Term Life and AD&D through USable Life is Not Provided.]

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)

[COINSURANCE PLANS]

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent age [26-27]

Mandated Mental Health Parity [Yes][No]

PCP: [\$5-\$25]	Specialists: [\$10-\$50] [+ [10%-30%]]
Coinsurance: [10%-30%]	Inpatient: [\$0-\$500] [+ [10%-30%]]
Emergency Room: [\$50-\$250] [+ [10% -30%]]	Mental Health Inpatient: [\$0-\$500][+ [10%-30%]]
Max Coinsurance: [none - \$5,000]	[Deductible: \$0 - \$1000]
Lifetime Maximum: Unlimited	[Wellness: [Traditional Wellness][Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None] [Value Formulary][Standard Formulary]

[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]

Optional Benefits:

[Blue Card]	[Air Ambulance: \$10,000]
-------------	---------------------------

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]	[Hearing Aid [Elect][Reject]]
[Mental Health/Substance Abuse [Elect] [Reject]]	[Mental Health Parity] [Elect][Reject]]

**Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

[Life, AD&D and STD Coverage]

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]
*[*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USAbLe Life is an independent company and operates separately from Health Advantage. USAbLe Life does not sell or service Health Advantage products. USAbLe Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USAbLe Life.]]

[Term Life and AD&D through USAbLe Life is Not Provided.]

[Rates]

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)

[BLUECHOICE POS PLANS]

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent age [26-27]

Mandated Mental Health Parity [Yes][No]

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

Coinsurance In/Out : [0%-50%]	PCP: [\$10-\$35]
Specialists: [\$10-\$35]	Emergency Room: [\$50-\$200]
Inpatient In-Network: [\$0-\$500]	Inpatient Out-of-Network: [\$0-\$500]
Deductible Out-of-Network: [\$200-\$3,000]	Maximum Inpatient: [none - \$9K]
In-Network Coinsurance Maximum: [\$0-\$10K/\$0-\$30K]	
Out-of-Network Coinsurance Maximum: [\$2K-\$20K/\$4K-\$60K]	
Lifetime Maximum: Unlimited	Wellness: [Traditional Wellness][Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None] [Value Formulary][Standard Formulary]

[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]

Optional Benefits: [Air Ambulance 10,000] [Blue Card]

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]	Hearing Aid [Elect][Reject]
[Mental Health/Substance Abuse [Elect] [Reject]]	[Mental Health Parity] [Elect][Reject]

**Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

[Life, AD&D and STD Coverage]

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

*[*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Health Advantage. USable Life does not sell or service Health Advantage products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

[Term Life and AD&D through USABLE Life is Not Provided.]

[Rates]

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 4.] ATTESTATIONS

There are a number of federal regulations that impact small group business owners, either in requirements to provide health plan benefits or the types of benefits that must be offered. Our goal is to assist you in meeting these requirements, to help us accomplish this we ask that each small group business owner provide us with answers to the questions below.

COBRA – Group health plans for employers with 20 or more employees on more than 50% of the business days in the previous calendar year are subject to Cobra. Employers are required to provide qualified beneficiaries an election period during which the beneficiary can elect to continue coverage under the guidelines. We offer the services of a vendor, “Ceridian”, to assist you in administering Cobra (no additional cost). Both full time and part time employees are counted to determine if a plan is subject to Cobra. Each part-time employee counts as a fraction of an employee, with the fraction equal to the number of hours worked divided by the number of hours used to determine full time status.¹

(Yes __) (No __) **As an employer, are you currently obligated by law to comply with COBRA?**

(Yes __)(No __) **Do you want to use the services of Ceridian?**

(Yes __)(No __) **If yes, are you currently contracting directly with Ceridian?**

Medicare Secondary Payer – If you have employees who are over 65 and enrolled in Medicare, Medicare will pay as “primary” if you have less than 20 employees (note that other criteria may apply as well). If Medicare is primary, we will offer lower “group health plan” rates to your employees who are over 65 and have their Medicare Parts A and B cards, but not if Medicare is secondary. The count of employees is determined on whether or not you employed 20 or more full time and part time employees each working day of 20 or more calendar weeks during the current or the previous calendar year. Copies of the Medicare Part A and B cards must be submitted for all Medicare-eligible enrolled employees for the lower rates to apply.

(Yes __) (No __)²**Under the governmental guidelines discussed above, the group health plan will result in Medicare being the secondary payer, due to meeting the criteria for 20 or more employees as defined above.**

Mental Health Parity – An amendment to the Mental Health Parity and Addiction Act of 2008, set to go into effect on October 3rd, 2009 will require that certain group health plans and health insurance issuers offer coverage to the same extent for mental health and/or substance abuse disorders as they provide for health coverage. This law does not apply to small group employers, defined as those who employed an average of not more than 50 employees on business days during the preceding calendar year.

If the health plan is subject to “Mental Health Parity”, the benefits that must be offered will be richer compared to our current plans, with accompanying adjustments in rates. If not required by law to offer mental health parity, the small employer can decide to maintain the current benefit or elect to move to mental health parity as an option.

(Yes __) (No __)**Under the governmental guidelines above the group health plan is subject Mental Health Parity, meeting the criteria for more than 50 employees.**

Medical Loss Ratio - The determination of Large and Small Groups is based upon the average number of employees employed by the employer on business days during the proceeding calendar year. The Public Health Services Act §2791(e) provides

(1) The term “large employer” means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 101 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year.

(2) The term “small employer” means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 1 but not more than 100 employees on business days during the preceding calendar year and who employs at least 1 employees on the first day of the plan year.

The policyholder is a ___ large employer ___ small employer (check one).

[Grandfather Status - Our records indicate that your health plan [is not] [is] grandfathered.

Please confirm if you agree with the grandfathered status as indicated above.

___ Yes, I agree with the status as shown

___ No, I disagree with the status as shown because _____]

[SECTION 4.] ATTESTATIONS (CONTINUED)

[Non-discrimination Rule - Our records indicate that your health plan is 'Non-Grandfathered' therefore discrimination based on waiting periods and contribution is prohibited by Section 2716 of the Public Health Services Act:

[Please select one waiting period for your enrollees:

____(Class A:)]

____ (Class B:)]

[Please select one contribution for your enrollees:

____Contribution

____ Contribution]]

¹ COBRA Handbook 2009, ¶4.03[E][2]; 26 CFR §54.4980B-2 Q/A 5(e).

² 42 CFR §411.170.

L. Policyholder to Distribute and Account for Premium Rebates
[ERISA Groups]

In the event federal or state law requires the Company to rebate a portion of an annual premium payment, Company will pay the Policyholder the total rebate applicable to the Policy, and Policyholder shall handle the rebate payment in accordance with the applicable provisions of Employee Retirement Income Security Act of 1974 (ERISA).

Policyholder will indemnify the Company in the event the Company suffers any fines, penalties or expenses, including reasonable attorney's fees, due to the Policyholder's failure to carry out its obligations under this Section L of the Group Policy.

L. Policyholder to Distribute and Account for Premium Rebates
[Governmental Groups]

In the event federal or state law requires the Company to rebate a portion of an annual premium payment, Company will pay the Policyholder the total rebate applicable to the Policy, and Policyholder shall use the amount of the rebate that is proportionate to the total amount of premium paid by all Employees under the policy for the benefit of Employees in one of the following ways, at the option of the Policyholder:

1. For all Employees covered under any option offered under the policyholder's group health plan at the time the rebate is received by the policyholder, to reduce the Employees' portion of premium for the subsequent policy year;
2. For Employees covered, at the time the rebate is received by the policyholder, under the group health plan option for which the Company is providing a rebate, to reduce the Employees' portion of premium for the subsequent policy year;
3. A cash refund to Employees enrolled in the group health plan option, at the time the rebate is received by the policyholder, for which the Company is providing a rebate; and
4. The reduction in future premium or the cash refund provided under paragraphs 1, 2 or 3 of this section may, at the option of the policyholder, be: divided evenly among such Employees; divided based on each Employee's actual contributions to premium; or apportioned in a manner that reasonably reflects each Employee's contributions to premium.
5. The portion of a rebate based upon former Employees' contributions to premium must be aggregated and used for the benefit of current Employees in the group health plan in any manner permitted by this section.

Policyholder will indemnify the Company in the event the Company suffers any fines, penalties or expenses, including reasonable attorney's fees, due to the Policyholder's failure to carry out its obligations under this Section L of the Group Policy.

L. Policyholder to Distribute and Account for Premium Rebates
[Church Groups]

In the event federal or state law requires the Company to rebate a portion of an annual premium payment, Company will pay the Policyholder the total rebate applicable to the Policy if the Company receives a written assurance from the Policyholder that Policyholder shall use the amount of the rebate that is proportionate to the total amount of premium paid by all Employees under the policy for the benefit of Employees in one of the following ways, at the option of the Policyholder:

1. For all Employees covered under any option offered under the policyholder's group health plan at the time the rebate is received by the policyholder, to reduce the Employees' portion of premium for the subsequent policy year;
2. For Employees covered, at the time the rebate is received by the policyholder, under the group health plan option for which the Company is providing a rebate, to reduce the Employees' portion of premium for the subsequent policy year;
3. A cash refund to Employees enrolled in the group health plan option, at the time the rebate is received by the policyholder, for which the Company is providing a rebate; and
4. The reduction in future premium or the cash refund provided under paragraphs 1, 2 or 3 of this section may, at the

[SECTION 4.] ATTESTATIONS (CONTINUED)

option of the policyholder, be: divided evenly among such Employees; divided based on each Employee's actual contributions to premium; or apportioned in a manner that reasonably reflects each Employee's contributions to premium.

5. The portion of a rebate based upon former Employees' contributions to premium must be aggregated and used for the benefit of current Employees in the group health plan in any manner permitted by this section.

Otherwise, the Company will distribute the rebate directly to the Employees of the group health plan covered by the policy during the MLR reporting year on which the rebate is based by dividing the entire rebate, including the amount proportionate to the amount of premium paid by the Policyholder, in equal amounts to all Employees entitled to a rebate without regard to how much each Employee actually paid toward premiums.

Policyholder will indemnify the Company in the event the Company suffers any fines, penalties or expenses, including reasonable attorney's fees, due to the Policyholder's failure to carry out its obligations under this Section L of the Group Policy.]

[SECTION 5.] EMPLOYEE INFORMATION, MINIMUM NUMBER OF INSURED EMPLOYEES & MINIMUM PARTICIPATION REQUIREMENTS.

Under the Medicare Secondary Payer Rules, it is the Employer's responsibility to annually inform Health Advantage of proper employee counts for the purpose of determining payment priority between Medicare and Health Advantage. Health Advantage is required to furnish these counts to the Centers for Medicare and Medicaid Services (CMS).

Full-Time = active employee with a minimum of 30 hrs/week & 48 weeks/year

	In State	Out of State	Total
Full-Time Employees enrolling (including those satisfying their waiting period within 3 months after the effective date):			
Full-Time Employees waiving (including those satisfying their waiting period within 3 months after the effective date):			
COBRA Continuees (Enrolling)			
Life ONLY Contracts			
Total Enrolling and Waiving			
[New Full-Time Employees who will NOT satisfy the Waiting Period within 3 months after the eff. Date:]			
Part Time / Seasonal / Temporary Employees			
Total # of Employees			

Minimum Number of Insured Employees. [To meet small group enrollment guidelines a group must have at least two full-time enrolled employees, of which no more than 50% may reside in the same household.] [To meet large group enrollment guidelines a group must have at least fifty-one full-time enrolled employees. Groups whose enrollment subsequently drops below fifty-one enrolled must be rated as a small group upon renewal.]

Minimum Participation Requirements. Employees covered through other comprehensive major medical-type coverage may be waived from the eligibility count. 75% of all eligible employees without waivers must be insured, and no less than 50% of the full-time employees must enroll.

This Group Contract may be terminated by Health Advantage if the number of insured employees falls below the minimum number of insured employees specified above or if the percentage of eligible employees of the Group covered by this Group Contract becomes less than the percentage of employee participation specified above.

[Special Group Considerations Form# _____, Description _____]

[SECTION 6.] [SECURED EMPLOYERS WEBSITE]

[Our records indicate that you are currently utilizing the Secured Employer Web Site and we hope that site is useful in the administration of your group health plan. We are always looking for feedback and to assist you with the site if needed, our email address is ewssupport@arkbluecross.com or call us toll free at 1-800-800-5641.

Web Administrator: _____ Email Address: _____]

[Our records indicate that you signed up for the Secured Employer Web Site but have not visited the site and registered to utilize the web functionality. If you need assistance activating your registration, lost the link or need to change the web administrator we can help. Our toll free phone number is 1-800-800-5641 and our email address is ewssupport@arkbluecross.com.

Web Administrator: _____ Email Address: _____]

[Yes No

We have a web site for our small group customers who wish to utilize a “secured” web site which has been very well received by the current users. The site is password protected and all that is required of the group is to have email capability. If you have internet access and wish to utilize the site please mark the “yes” box above, please mark the “no” box if you do not wish to utilize the site at this time.

If you have selected to use the site, please fill in the name of the person who you are designating as “Web Administrator” along with their email address. We will automatically forward a link to this individual shortly after processing this renewal. The link will allow the person to set up their log-on ID and password. In addition to the link, they will receive a guide with detailed instructions on how to use the website.

Web Administrator: _____ | E-Mail Address: _____]

[SECTION 7.] SIGNATURES

This Application is made and delivered in the State of Arkansas and is governed by the laws of Arkansas and the United States of America. This Application is incorporated in and made a part of the Group Contract and Evidence of Coverage.

[I hereby apply for the above referenced coverage and agree the group contract, subject to the terms and conditions of the policies applied for, will take effect as of the next available effective date after approval, provided this application is approved by the home office of Health Advantage. **I also understand that my signature below represents my agreement and acceptance of the premium rate schedule.] OR**

[I hereby renew the above referenced coverage and agree the group contract, subject to the terms and conditions of the policies renewed, will take effect as of the renewal date after approval, provided this application is approved by the home office of Health Advantage. **I also understand that my signature below represents my agreement and acceptance of the premium rate schedule.]**

[I understand the Life and Accidental Death & Dismemberment coverage is provided through a policy issued to the Trustee of the US Able Life Group Insurance Trust, and I hereby [apply for][renew] participation in said trust, which is insured by US Able Life. A copy of the trust policy is maintained in US Able Life's home office in Little Rock Arkansas and is subject to examination by participating employers.]

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in connection with an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

1. Group

Signed at _____, this _____ day of _____ 20____
(City, State)

_____ [full legal name of Group]

By:

_____ Authorized Signature

_____ Printed Name

_____ Title or Position

2. Agent or Health Plan Authorized Representative

I hereby certify that all of the information contained in this employer application is correct to the best of my knowledge, and I know nothing unfavorable about this firm or any individual proposed for coverage (except as noted on the employee applications). I have complied with the underwriting rules and regulations and have explained in detail the coverage to the member firm and its employees including the preexisting condition limitations, if applicable, and the qualifications of the effective date provisions. I understand that Health Advantage will have no liability until this application has been approved.

_____ Agent or Authorized Representative Signature

_____ Agent License #/Agency Fed. Tax ID# (if applicable)

_____ Agent or Authorized Representative Printed Name

_____ Date

State: Arkansas **Filing Company:** HMO Partners, Inc. d/b/a Health Advantage
TOI/Sub-TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002A Any Size Group - PPO
Product Name: Amendment & Application
Project Name/Number: Amendment & Application/34-153 1/13, GRPAPP-HA R08/12

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification	Approved-Closed	09/10/2012
Comments:	Please see attached.		
Attachment(s):			
GRPAPP HA R08-12.pdf			

		Item Status:	Status Date:
Bypassed - Item:	Application	Approved-Closed	09/10/2012
Bypass Reason:	Already attached.		
Comments:			

		Item Status:	Status Date:
Bypassed - Item:	Health - Actuarial Justification	Approved-Closed	09/10/2012
Bypass Reason:	Not required.		
Comments:			

		Item Status:	Status Date:
Bypassed - Item:	PPACA Uniform Compliance Summary	Approved-Closed	09/10/2012
Bypass Reason:	Not PPACA related.		
Comments:			



Health Advantage
An Independent Licensee of the Blue Cross and Blue Shield Association

EMPLOYER APPLICATION
[Trust Participation Agreement]
[Blues Enroll] [Electronic Transfer]

[RENEWAL] APPLICATION by:

(hereinafter called "Group")

for a Group Contract covering the employees of the Group and the eligible dependents of such employees. The Group intends hereby to establish and maintain an employee benefit plan (the "Plan") for the Group's employees and eligible dependents, to contribute to the cost of the Plan, and to actively promote the Plan to the Group's employees.

[SECTION 1.] GROUP INFORMATION

Legal Name of Business:

D/B/A:

Street Address:

City, State, Zip:

County:

Mailing Address: (if different from Street):

City, State, Zip:

Telephone #:

Fax #:

Fed. Tax I.D. #:

Business Type: [Sole Proprietorship] [Legal Partnership]
 [Corporation] [Government Entity]

Exec. Contact:

E-Mail:

Group Administrator:

E-Mail:

Primary SIC Code:

SIC Description:

Agent:

Agent's Lic. #:

Agent's Company:

Agent's Tax Id:

[SECTION 2.] GROUP AS PLAN ADMINISTRATOR

The Group, as Plan Administrator, assumes responsibility for the accuracy of information presented to Health Advantage ("HA"), including all information on the employment status and eligibility of individuals to be covered under the Plan, as well as medical information provided with respect to each such individual. The Group agrees that if misrepresentations are made in any of the information provided for rating or in this Group Application or any of the materials submitted with it, including, but not limited to, individual applications and medical information, then HA may cancel or rescind this Group Contract. The Group further agrees that if misrepresentations or false or misleading information is presented in filing of any claims hereunder ("improper claims"), HA may cancel or rescind the coverage of any individual involved in presenting such a claim. Further, HA may cancel or rescind the entire Group Contract if the Group or any representative of the Group knew or should have known of the improper claims, or if the Group's action or inaction contributed to presentation of improper claims.

[SECTION 3.] BENEFIT PLAN OPTIONS**[CARVE-OUT HSA – HEALTH ADVANTAGE]**

Employers may select a Blue~by~design HSA benefit option for one class of employees and pair it with a POS benefit option for any other class of employees.

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution		
		[0-365 days]	[other]	POS Employee	% Dependent	%
				HSA Employee	% Dependent	%

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent Age [26-27]

Mandated Mental Health Parity – [Yes][No]

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

[BLUE~BY~DESIGN HSA]

[Annual HSA Contribution by Tier:]

Employee Only: _____ Employee/Spouse: _____ Employee/Child: _____ Family: _____

HSA Contribution Frequency: [Annual] [Monthly] [Semi-Monthly]

Deductible:

Individual In-Network: [\$1,200*-\$6,000] [Aggregate-Embedded] Family In-Network: [\$2,400*-\$10,800]

Individual Out-of-Network: [\$2,400-\$10,800] [Aggregate-Embedded] Family Out-of-Network: [\$4,800-\$21,600]

Coinsurance:

In-Network [80% - 100%] Out-of-Network [60%-80%]

Annual Coinsurance Maximum:

Individual In-Network: [\$0-\$10,000*] [Aggregate-Embedded] Family In-Network: [\$0 - \$20,000*]

Individual Out-of-Network [\$8,000 – Unlimited] [Aggregate-Embedded] Family Out-of-Network [\$16,000 – Unlimited]

**adjusted annually for inflation January 1, in accordance with the provisions of Section 223 of the Internal Revenue Code of the United States of America as amended*

Lifetime Maximum: Unlimited

Wellness: [Traditional Wellness] [Health Care Reform]

Drug Coverage:

[Standard Formulary - Subject to Deductible [+ Coinsurance]] [Value Formulary – Subject to Deductible + Coinsurance]

[Essential Care Formulary - Subject to Deductible [+ Coinsurance]] [No Coverage] [HSA Preventive RX List]

[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]

Optional Benefits:

[Air Ambulance 10,000]

[Blue Card]

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]

[Hearing Aid [Elect][Reject]]

[Mental Health/Substance Abuse [Elect] [Reject]]

[Mental Health Parity [Elect] [Reject]]

**Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

[Life, AD&D and STD Coverage]

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

[*Must have life coverage to be eligible for STD.]

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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[Term Life and AD&D through USable Life is Not Provided.]

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[BLUECHOICE POS OPEN ACCESS PLANS] [PRE-X] [WITHOUT PRE-X]

Coinsurance In/Out: [10%-30%/30%-50%]	PCP/Specialist: [\$25/\$35]
Emergency Room: [\$50-\$250]	Inpatient In-Network: [\$0-\$500]
Inpatient Out-of-Network: [30%-50%]	Deductible In-Network: [\$0-\$5,000/\$0-\$15,000]
Deductible Out-of-Network: [\$750-\$15,000/\$2,250-\$45,000]	
In-Network Coinsurance Maximum: [\$0-\$10K/\$0K-\$30K] [unlimited]	
Out-of-Network Coinsurance Maximum: [\$6K-\$32K/\$18K-\$96K] [unlimited]	
Lifetime Maximum: Unlimited	Wellness: [Traditional Wellness][Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None][Value Formulary][Standard Formulary]

[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]

Optional Benefits:

[Air Ambulance \$10,000]	[Blue Card]
--------------------------	-------------

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]	[Hearing Aid [Elect][Reject]]
[Mental Health/Substance Abuse [Elect] [Reject]]	[Mental Health Parity [Elect][Reject]]

**Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

[Life, AD&D and STD Coverage]

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]
 [*Must have life coverage to be eligible for STD.]

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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[Term Life and AD&D through USABLE Life is Not Provided.]**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[BLUE~BY~DESIGN HSA]**

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent age [26-27]**Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

*Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.***[Annual HSA Contribution by Tier:]**

Employee Only: _____ Employee/Spouse: _____ Employee/Child: _____ Family: _____

HSA Contribution Frequency: [Annual] [Monthly] [Semi-Monthly]**Deductible:**

Individual In-Network: [\$1,200*-\$6,000] [Aggregate-Embedded] Family In-Network: [\$2,400*-\$10,800]

Individual Out-of-Network: [\$2,400-\$10,800] [Aggregate-Embedded] Family Out-of-Network: [\$4,800-\$21,600]

Coinsurance:

In-Network [80% - 100%] Out-of-Network [60%-80%]

Annual Coinsurance Maximum:

Individual In-Network: [\$0-\$10,000*] [Aggregate-Embedded] Family In-Network: [\$0 - \$20,000*]

Individual Out-of-Network [\$8,000 – Unlimited] [Aggregate-Embedded] Family Out-of-Network [\$16,000 – Unlimited]

adjusted annually for inflation January 1, in accordance with the provisions of Section 223 of the Internal Revenue Code of the United States of America as amended*Lifetime Maximum: Unlimited****Wellness: [Traditional Wellness][Health Care Reform]****Drug Coverage:**

[Standard Formulary - Subject to Deductible [+ Coinsurance]] [Value Formulary – Subject to Deductible + Coinsurance]

[Essential Care Formulary - Subject to Deductible [+ Coinsurance]] [No Coverage] [HSA Preventive RX List]

*[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]***Optional Benefits:**

[Blue Card]

[Air Ambulance: \$10,000]

Arkansas Mandated Offer Benefit Riders:**You must Elect or Reject Each Rider**

TMJ [Elect] [Reject*]

[Hearing Aid [Elect][Reject]]

[Mental Health/Substance Abuse [Elect] [Reject]]

[Mental Health Parity [Elect][Reject]]

Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*[Life, AD&D and STD Coverage]**

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

*[*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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[Term Life and AD&D through USABLE Life is Not Provided.]**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[BLUECHOICE POS OPEN ACCESS PLANS] [PRE-X] [WITHOUT PRE-X]**

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent Age [26-27]**Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

*Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.***Coinsurance In/Out:** [10%-30%/30%-50%]**PCP/Specialist:** [\$25/\$35]**Emergency Room:** [\$50-\$250]**Inpatient In-Network:** [\$0-\$500]**Inpatient Out-of-Network:** [30%-50%]**Deductible In-Network:** [\$0-\$5,000/\$0-\$15,000]**Deductible Out-of-Network:** [\$750-\$15,000/\$2,250-\$45,000]**In-Network Coinsurance Maximum:** [\$0-\$10K/\$0K-\$30K] [unlimited]**Out-of-Network Coinsurance Maximum:** [\$6K-\$32K/\$18K-\$96K] [unlimited]**Lifetime Maximum:** Unlimited**Wellness:** [Traditional Wellness][Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None][Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]***Optional Benefits:**

[Air Ambulance \$10,000]

[Blue Card]

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]

[Hearing Aid [Elect][Reject]]

[Mental Health/Substance Abuse [Elect] [Reject]]

[Mental Health Parity [Elect][Reject]]

Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*[Life, AD&D and STD Coverage]**

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

[*Must have life coverage to be eligible for STD.]

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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[Term Life and AD&D through USable Life is Not Provided.]

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)

[Rates]

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[COPAYMENT PLANS]

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent age [26-27]

Mandated Mental Health Parity [Yes][No]

PCP [\$5-\$25] Specialist [\$10-\$50] Inpatient [\$0-\$500] Emergency Room [\$50-\$200][Other]
 Mental Health Inpatient [\$0-\$500/\$25-\$150] [Deductible: \$0 - \$1,000]
 Lifetime Maximum: Unlimited Out-of-Pocket Inpatient Max [none-\$2,000]

Wellness: [Traditional Wellness] [Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments][Other]]
 [None] [Value Formulary][Standard Formulary]

[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]

Optional Benefits:

[Blue Card] [Air Ambulance : \$10,000]

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*] [Hearing Aid [Elect][Reject]]
 [Mental Health/Substance Abuse [Elect] [Reject]] [Mental Health Parity] [Elect][Reject]

**Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

[Life, AD&D and STD Coverage]

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]
 [*Must have life coverage to be eligible for STD.]

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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[Term Life and AD&D through USABLE Life is Not Provided.]

[Rates]

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)

[COINSURANCE PLANS]

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent age [26-27]

Mandated Mental Health Parity [Yes][No]

PCP: [\$5-\$25]	Specialists: [\$10-\$50] [+ [10%-30%]]
Coinsurance: [10%-30%]	Inpatient: [\$0-\$500] [+ [10%-30%]]
Emergency Room: [\$50-\$250] [+ [10% -30%]]	Mental Health Inpatient: [\$0-\$500][+ [10%-30%]]
Max Coinsurance: [none - \$5,000]	[Deductible: \$0 - \$1000]
Lifetime Maximum: Unlimited	[Wellness: [Traditional Wellness][Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None] [Value Formulary][Standard Formulary]

[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]

Optional Benefits:

[Blue Card]	[Air Ambulance: \$10,000]
Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider	
TMJ [Elect] [Reject*]	[Hearing Aid [Elect][Reject]]
[Mental Health/Substance Abuse [Elect] [Reject]]	[Mental Health Parity] [Elect][Reject]]

**Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

[Life, AD&D and STD Coverage]
 [[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]
*[*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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[Term Life and AD&D through USABLE Life is Not Provided.]

[Rates]

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[BLUECHOICE POS PLANS]**

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent age [26-27]**Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

*Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.***Coinsurance In/Out :** [0%-50%]**PCP:** [\$10-\$35]**Specialists:** [\$10-\$35]**Emergency Room:** [\$50-\$200]**Inpatient In-Network:** [\$0-\$500]**Inpatient Out-of-Network:** [\$0-\$500]**Deductible Out-of-Network:** [\$200-\$3,000]**Maximum Inpatient:** [none - \$9K]**In-Network Coinsurance Maximum:** [\$0-\$10K/\$0-\$30K]**Out-of-Network Coinsurance Maximum:** [\$2K-\$20K/\$4K-\$60K]**Lifetime Maximum:** Unlimited**Wellness:** [Traditional Wellness][Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None] [Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]***Optional Benefits:** [Air Ambulance 10,000]

[Blue Card]

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]

Hearing Aid [Elect][Reject]

[Mental Health/Substance Abuse [Elect] [Reject]]

[Mental Health Parity] [Elect][Reject]

Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*[Life, AD&D and STD Coverage]**

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

*[*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

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[Term Life and AD&D through USABLE Life is Not Provided.]**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 4.] ATTESTATIONS

There are a number of federal regulations that impact small group business owners, either in requirements to provide health plan benefits or the types of benefits that must be offered. Our goal is to assist you in meeting these requirements, to help us accomplish this we ask that each small group business owner provide us with answers to the questions below.

COBRA – Group health plans for employers with 20 or more employees on more than 50% of the business days in the previous calendar year are subject to Cobra. Employers are required to provide qualified beneficiaries an election period during which the beneficiary can elect to continue coverage under the guidelines. We offer the services of a vendor, “Ceridian”, to assist you in administering Cobra (no additional cost). Both full time and part time employees are counted to determine if a plan is subject to Cobra. Each part-time employee counts as a fraction of an employee, with the fraction equal to the number of hours worked divided by the number of hours used to determine full time status.¹

(Yes) (No) As an employer, are you currently obligated by law to comply with COBRA?

(Yes)(No) Do you want to use the services of Ceridian?

(Yes)(No) If yes, are you currently contracting directly with Ceridian?

Medicare Secondary Payer – If you have employees who are over 65 and enrolled in Medicare, Medicare will pay as “primary” if you have less than 20 employees (note that other criteria may apply as well). If Medicare is primary, we will offer lower “group health plan” rates to your employees who are over 65 and have their Medicare Parts A and B cards, but not if Medicare is secondary. The count of employees is determined on whether or not you employed 20 or more full time and part time employees each working day of 20 or more calendar weeks during the current or the previous calendar year. Copies of the Medicare Part A and B cards must be submitted for all Medicare-eligible enrolled employees for the lower rates to apply.

(Yes) (No)²Under the governmental guidelines discussed above, the group health plan will result in Medicare being the secondary payer, due to meeting the criteria for 20 or more employees as defined above.

Mental Health Parity – An amendment to the Mental Health Parity and Addiction Act of 2008, set to go into effect on October 3rd, 2009 will require that certain group health plans and health insurance issuers offer coverage to the same extent for mental health and/or substance abuse disorders as they provide for health coverage. This law does not apply to small group employers, defined as those who employed an average of not more than 50 employees on business days during the preceding calendar year.

If the health plan is subject to “Mental Health Parity”, the benefits that must be offered will be richer compared to our current plans, with accompanying adjustments in rates. If not required by law to offer mental health parity, the small employer can decide to maintain the current benefit or elect to move to mental health parity as an option.

(Yes) (No)Under the governmental guidelines above the group health plan is subject Mental Health Parity, meeting the criteria for more than 50 employees.

Medical Loss Ratio - The determination of Large and Small Groups is based upon the average number of employees employed by the employer on business days during the proceeding calendar year. The Public Health Services Act §2791(e) provides

(1) The term “large employer” means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 101 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year.

(2) The term “small employer” means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 1 but not more than 100 employees on business days during the preceding calendar year and who employs at least 1 employees on the first day of the plan year.

The policyholder is a large employer small employer (check one).

[Grandfather Status - Our records indicate that your health plan [is not] [is] grandfathered.

Please confirm if you agree with the grandfathered status as indicated above.

Yes, I agree with the status as shown

No, I disagree with the status as shown because _____]

[SECTION 4.] ATTESTATIONS (CONTINUED)

[Non-discrimination Rule - Our records indicate that your health plan is 'Non-Grandfathered' therefore discrimination based on waiting periods and contribution is prohibited by Section 2716 of the Public Health Services Act:

[Please select one waiting period for your enrollees:

____ (Class A:)

____ (Class B:)]

[Please select one contribution for your enrollees:

____ Contribution

____ Contribution]]

¹ COBRA Handbook 2009, ¶4.03[E][2]; 26 CFR §54.4980B-2 Q/A 5(e).

² 42 CFR §411.170.

L. Policyholder to Distribute and Account for Premium Rebates

[ERISA Groups]

In the event federal or state law requires the Company to rebate a portion of an annual premium payment, Company will pay the Policyholder the total rebate applicable to the Policy, and Policyholder shall handle the rebate payment in accordance with the applicable provisions of Employee Retirement Income Security Act of 1974 (ERISA).

Policyholder will indemnify the Company in the event the Company suffers any fines, penalties or expenses, including reasonable attorney's fees, due to the Policyholder's failure to carry out its obligations under this Section L of the Group Policy.

L. Policyholder to Distribute and Account for Premium Rebates

[Governmental Groups]

In the event federal or state law requires the Company to rebate a portion of an annual premium payment, Company will pay the Policyholder the total rebate applicable to the Policy, and Policyholder shall use the amount of the rebate that is proportionate to the total amount of premium paid by all Employees under the policy for the benefit of Employees in one of the following ways, at the option of the Policyholder:

1. For all Employees covered under any option offered under the policyholder's group health plan at the time the rebate is received by the policyholder, to reduce the Employees' portion of premium for the subsequent policy year;
2. For Employees covered, at the time the rebate is received by the policyholder, under the group health plan option for which the Company is providing a rebate, to reduce the Employees' portion of premium for the subsequent policy year;
3. A cash refund to Employees enrolled in the group health plan option, at the time the rebate is received by the policyholder, for which the Company is providing a rebate; and
4. The reduction in future premium or the cash refund provided under paragraphs 1, 2 or 3 of this section may, at the option of the policyholder, be: divided evenly among such Employees; divided based on each Employee's actual contributions to premium; or apportioned in a manner that reasonably reflects each Employee's contributions to premium.
5. The portion of a rebate based upon former Employees' contributions to premium must be aggregated and used for the benefit of current Employees in the group health plan in any manner permitted by this section.

Policyholder will indemnify the Company in the event the Company suffers any fines, penalties or expenses, including reasonable attorney's fees, due to the Policyholder's failure to carry out its obligations under this Section L of the Group Policy.

L. Policyholder to Distribute and Account for Premium Rebates

[Church Groups]

In the event federal or state law requires the Company to rebate a portion of an annual premium payment, Company will pay the Policyholder the total rebate applicable to the Policy if the Company receives a written assurance from the Policyholder that Policyholder shall use the amount of the rebate that is proportionate to the total amount of premium paid by all Employees under the policy for the benefit of Employees in one of the following ways, at the option of the Policyholder:

1. For all Employees covered under any option offered under the policyholder's group health plan at the time the rebate is received by the policyholder, to reduce the Employees' portion of premium for the subsequent policy year;
2. For Employees covered, at the time the rebate is received by the policyholder, under the group health plan option for which the Company is providing a rebate, to reduce the Employees' portion of premium for the subsequent policy year;
3. A cash refund to Employees enrolled in the group health plan option, at the time the rebate is received by the

[SECTION 4.] ATTESTATIONS (CONTINUED)

policyholder, for which the Company is providing a rebate; and

4. The reduction in future premium or the cash refund provided under paragraphs 1, 2 or 3 of this section may, at the option of the policyholder, be: divided evenly among such Employees; divided based on each Employee's actual contributions to premium; or apportioned in a manner that reasonably reflects each Employee's contributions to premium.

5. The portion of a rebate based upon former Employees' contributions to premium must be aggregated and used for the benefit of current Employees in the group health plan in any manner permitted by this section.

Otherwise, the Company will distribute the rebate directly to the Employees of the group health plan covered by the policy during the MLR reporting year on which the rebate is based by dividing the entire rebate, including the amount proportionate to the amount of premium paid by the Policyholder, in equal amounts to all Employees entitled to a rebate without regard to how much each Employee actually paid toward premiums.

Policyholder will indemnify the Company in the event the Company suffers any fines, penalties or expenses, including reasonable attorney's fees, due to the Policyholder's failure to carry out its obligations under this Section L of the Group Policy.]

[SECTION 5.] EMPLOYEE INFORMATION, MINIMUM NUMBER OF INSURED EMPLOYEES & MINIMUM PARTICIPATION REQUIREMENTS.

Under the Medicare Secondary Payer Rules, it is the Employer's responsibility to annually inform Health Advantage of proper employee counts for the purpose of determining payment priority between Medicare and Health Advantage. Health Advantage is required to furnish these counts to the Centers for Medicare and Medicaid Services (CMS).

Full-Time = active employee with a minimum of 30 hrs/week & 48 weeks/year

	In State	Out of State	Total
Full-Time Employees enrolling (including those satisfying their waiting period within 3 months after the effective date):			
Full-Time Employees waiving (including those satisfying their waiting period within 3 months after the effective date):			
COBRA Continuees (Enrolling)			
Life ONLY Contracts			
Total Enrolling and Waiving			
[New Full-Time Employees who will NOT satisfy the Waiting Period within 3 months after the eff. Date:]			
Part Time / Seasonal / Temporary Employees			
Total # of Employees			

Minimum Number of Insured Employees. [To meet small group enrollment guidelines a group must have at least two full-time enrolled employees, of which no more than 50% may reside in the same household.] [To meet large group enrollment guidelines a group must have at least fifty-one full-time enrolled employees. Groups whose enrollment subsequently drops below fifty-one enrolled must be rated as a small group upon renewal.]

Minimum Participation Requirements. Employees covered through other comprehensive major medical-type coverage may be waived from the eligibility count. 75% of all eligible employees without waivers must be insured, and no less than 50% of the full-time employees must enroll.

This Group Contract may be terminated by Health Advantage if the number of insured employees falls below the minimum number of insured employees specified above or if the percentage of eligible employees of the Group covered by this Group Contract becomes less than the percentage of employee participation specified above.

[Special Group Considerations Form# _____, Description _____]

[SECTION 6.] [SECURED EMPLOYERS WEBSITE]

[Our records indicate that you are currently utilizing the Secured Employer Web Site and we hope that site is useful in the administration of your group health plan. We are always looking for feedback and to assist you with the site if needed, our email address is ewssupport@arkbluecross.com or call us toll free at 1-800-800-5641.

Web Administrator: _____ Email Address: _____]

[Our records indicate that you signed up for the Secured Employer Web Site but have not visited the site and registered to utilize the web functionality. If you need assistance activating your registration, lost the link or need to change the web administrator we can help. Our toll free phone number is 1-800-800-5641 and our email address is ewssupport@arkbluecross.com.

Web Administrator: _____ Email Address: _____]

[Yes No

We have a web site for our small group customers who wish to utilize a “secured” web site which has been very well received by the current users. The site is password protected and all that is required of the group is to have email capability. If you have internet access and wish to utilize the site please mark the “yes” box above, please mark the “no” box if you do not wish to utilize the site at this time.

If you have selected to use the site, please fill in the name of the person who you are designating as “Web Administrator” along with their email address. We will automatically forward a link to this individual shortly after processing this renewal. The link will allow the person to set up their log-on ID and password. In addition to the link, they will receive a guide with detailed instructions on how to use the website.

Web Administrator: _____ | E-Mail Address: _____]

[SECTION 7.] SIGNATURES

This Application is made and delivered in the State of Arkansas and is governed by the laws of Arkansas and the United States of America. This Application is incorporated in and made a part of the Group Contract and Evidence of Coverage.

[I hereby apply for the above referenced coverage and agree the group contract, subject to the terms and conditions of the policies applied for, will take effect as of the next available effective date after approval, provided this application is approved by the home office of Health Advantage. **I also understand that my signature below represents my agreement and acceptance of the premium rate schedule.] OR**

[I hereby renew the above referenced coverage and agree the group contract, subject to the terms and conditions of the policies renewed, will take effect as of the renewal date after approval, provided this application is approved by the home office of Health Advantage. **I also understand that my signature below represents my agreement and acceptance of the premium rate schedule.]**

[I understand the Life and Accidental Death & Dismemberment coverage is provided through a policy issued to the Trustee of the US Able Life Group Insurance Trust, and I hereby [apply for][renew] participation in said trust, which is insured by US Able Life. A copy of the trust policy is maintained in US Able Life's home office in Little Rock Arkansas and is subject to examination by participating employers.]

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in connection with an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

1. Group

Signed at _____, this _____ day of _____ 20____
(City, State)

[full legal name of Group]

By:

Authorized Signature

Printed Name

Title or Position

2. Agent or Health Plan Authorized Representative

I hereby certify that all of the information contained in this employer application is correct to the best of my knowledge, and I know nothing unfavorable about this firm or any individual proposed for coverage (except as noted on the employee applications). I have complied with the underwriting rules and regulations and have explained in detail the coverage to the member firm and its employees including the preexisting condition limitations, if applicable, and the qualifications of the effective date provisions. I understand that Health Advantage will have no liability until this application has been approved.

Agent or Authorized Representative Signature

Agent License #/Agency Fed. Tax ID# (if applicable)

Agent or Authorized Representative Printed Name

Date

SERFF Tracking #:

HLAD-128667231

State Tracking #:**Company Tracking #:**

34-153 1/13, GRPAPP-HA R08/12

State:

Arkansas

Filing Company:

HMO Partners, Inc. d/b/a Health Advantage

TOI/Sub-TOI:

HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.002A Any Size Group - PPO

Product Name:

Amendment & Application

Project Name/Number:

Amendment & Application/34-153 1/13, GRPAPP-HA R08/12

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
08/30/2012	Form	Application	09/26/2012	GRPAPP HA R08-12.pdf (Superseded)



Health Advantage
An Independent Licensee of the Blue Cross and Blue Shield Association

EMPLOYER APPLICATION
[Trust Participation Agreement]
[Blues Enroll] [Electronic Transfer]

[RENEWAL] APPLICATION by:

(hereinafter called "Group")

for a Group Contract covering the employees of the Group and the eligible dependents of such employees. The Group intends hereby to establish and maintain an employee benefit plan (the "Plan") for the Group's employees and eligible dependents, to contribute to the cost of the Plan, and to actively promote the Plan to the Group's employees.

[SECTION 1.] GROUP INFORMATION

Legal Name of Business:

D/B/A:

Street Address:

City, State, Zip:

County:

Mailing Address: (if different from Street):

City, State, Zip:

Telephone #:

Fax #:

Fed. Tax I.D. #:

Business Type: [Sole Proprietorship] [Legal Partnership]
 [Corporation] [Government Entity]

Exec. Contact:

E-Mail:

Group Administrator:

E-Mail:

Primary SIC Code:

SIC Description:

Agent:

Agent's Lic. #:

Agent's Company:

Agent's Tax Id:

[SECTION 2.] GROUP AS PLAN ADMINISTRATOR

The Group, as Plan Administrator, assumes responsibility for the accuracy of information presented to Health Advantage ("HA"), including all information on the employment status and eligibility of individuals to be covered under the Plan, as well as medical information provided with respect to each such individual. The Group agrees that if misrepresentations are made in any of the information provided for rating or in this Group Application or any of the materials submitted with it, including, but not limited to, individual applications and medical information, then HA may cancel or rescind this Group Contract. The Group further agrees that if misrepresentations or false or misleading information is presented in filing of any claims hereunder ("improper claims"), HA may cancel or rescind the coverage of any individual involved in presenting such a claim. Further, HA may cancel or rescind the entire Group Contract if the Group or any representative of the Group knew or should have known of the improper claims, or if the Group's action or inaction contributed to presentation of improper claims.

[SECTION 3.] BENEFIT PLAN OPTIONS**[CARVE-OUT HSA – HEALTH ADVANTAGE]**

Employers may select a Blue~by~design HSA benefit option for one class of employees and pair it with a POS benefit option for any other class of employees.

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution		
		[0-365 days]	[other]	POS Employee	% Dependent	%
				HSA Employee	% Dependent	%

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent Age [26-27]

Mandated Mental Health Parity – [Yes][No]

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.

[BLUE~BY~DESIGN HSA]

[Annual HSA Contribution by Tier:]

Employee Only: _____ Employee/Spouse: _____ Employee/Child: _____ Family: _____

HSA Contribution Frequency: [Annual] [Monthly] [Semi-Monthly]

Deductible:

Individual In-Network: [\$1,200*-\$6,000] [Aggregate-Embedded] Family In-Network: [\$2,400*-\$10,800]

Individual Out-of-Network: [\$2,400-\$10,800] [Aggregate-Embedded] Family Out-of-Network: [\$4,800-\$21,600]

Coinsurance:

In-Network [80% - 100%] Out-of-Network [60%-80%]

Annual Coinsurance Maximum:

Individual In-Network: [\$0-\$10,000*] [Aggregate-Embedded] Family In-Network: [\$0 - \$20,000*]

Individual Out-of-Network [\$8,000 – Unlimited] [Aggregate-Embedded] Family Out-of-Network [\$16,000 – Unlimited]

**adjusted annually for inflation January 1, in accordance with the provisions of Section 223 of the Internal Revenue Code of the United States of America as amended*

Lifetime Maximum: Unlimited

Wellness: [Traditional Wellness] [Health Care Reform]

Drug Coverage:

[Standard Formulary - Subject to Deductible [+ Coinsurance]] [Value Formulary – Subject to Deductible + Coinsurance]

[Essential Care Formulary - Subject to Deductible [+ Coinsurance]] [No Coverage] [HSA Preventive RX List]

[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]

Optional Benefits:

[Air Ambulance 10,000]

[Blue Card]

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]

[Hearing Aid [Elect][Reject]]

[Mental Health/Substance Abuse [Elect] [Reject]]

[Mental Health Parity [Elect] [Reject]]

**Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

[Life, AD&D and STD Coverage]

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

[*Must have life coverage to be eligible for STD.]

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Health Advantage. USable Life does not sell or service Health Advantage products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

[Term Life and AD&D through USable Life is Not Provided.]

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[BLUECHOICE POS OPEN ACCESS PLANS] [PRE-X] [WITHOUT PRE-X]

Coinsurance In/Out: [10%-30%/30%-50%]	PCP/Specialist: [\$25/\$35]
Emergency Room: [\$50-\$250]	Inpatient In-Network: [\$0-\$500]
Inpatient Out-of-Network: [30%-50%]	Deductible In-Network: [\$0-\$5,000/\$0-\$15,000]
Deductible Out-of-Network: [\$750-\$15,000/\$2,250-\$45,000]	
In-Network Coinsurance Maximum: [\$0-\$10K/\$0K-\$30K] [unlimited]	
Out-of-Network Coinsurance Maximum: [\$6K-\$32K/\$18K-\$96K] [unlimited]	
Lifetime Maximum: Unlimited	Wellness: [Traditional Wellness][Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None][Value Formulary][Standard Formulary]

[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]

Optional Benefits:

[Air Ambulance \$10,000] [Blue Card]

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]	[Hearing Aid [Elect][Reject]]
[Mental Health/Substance Abuse [Elect] [Reject]]	[Mental Health Parity [Elect][Reject]]

**Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*

[Life, AD&D and STD Coverage]

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]
 [*Must have life coverage to be eligible for STD.]

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USABLE Life is an independent company and operates separately from Health Advantage. USABLE Life does not sell or service Health Advantage products. USABLE Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USABLE Life.]]

[Term Life and AD&D through USABLE Life is Not Provided.]**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[BLUE~BY~DESIGN HSA]**

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent age [26-27]**Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

*Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.***[Annual HSA Contribution by Tier:]**

Employee Only: _____ Employee/Spouse: _____ Employee/Child: _____ Family: _____

HSA Contribution Frequency: [Annual] [Monthly] [Semi-Monthly]**Deductible:**

Individual In-Network: [\$1,200*-\$6,000] [Aggregate-Embedded] Family In-Network: [\$2,400*-\$10,800]

Individual Out-of-Network: [\$2,400-\$10,800] [Aggregate-Embedded] Family Out-of-Network: [\$4,800-\$21,600]

Coinsurance:

In-Network [80% - 100%] Out-of-Network [60%-80%]

Annual Coinsurance Maximum:

Individual In-Network: [\$0-\$10,000*] [Aggregate-Embedded] Family In-Network: [\$0 - \$20,000*]

Individual Out-of-Network [\$8,000 – Unlimited] [Aggregate-Embedded] Family Out-of-Network [\$16,000 – Unlimited]

adjusted annually for inflation January 1, in accordance with the provisions of Section 223 of the Internal Revenue Code of the United States of America as amended*Lifetime Maximum: Unlimited****Wellness: [Traditional Wellness][Health Care Reform]****Drug Coverage:**

[Standard Formulary - Subject to Deductible [+ Coinsurance]] [Value Formulary – Subject to Deductible + Coinsurance]

[Essential Care Formulary - Subject to Deductible [+ Coinsurance]] [No Coverage] [HSA Preventive RX List]

*[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]***Optional Benefits:**

[Blue Card]

[Air Ambulance: \$10,000]

Arkansas Mandated Offer Benefit Riders:**You must Elect or Reject Each Rider**

TMJ [Elect] [Reject*]

[Hearing Aid [Elect][Reject]]

[Mental Health/Substance Abuse [Elect] [Reject]]

[Mental Health Parity [Elect][Reject]]

Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*[Life, AD&D and STD Coverage]**

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

*[*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Health Advantage. USable Life does not sell or service Health Advantage products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

[Term Life and AD&D through USABLE Life is Not Provided.]**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[BLUECHOICE POS OPEN ACCESS PLANS] [PRE-X] [WITHOUT PRE-X]**

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent Age [26-27]**Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

*Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.***Coinsurance In/Out:** [10%-30%/30%-50%]**PCP/Specialist:** [\$25/\$35]**Emergency Room:** [\$50-\$250]**Inpatient In-Network:** [\$0-\$500]**Inpatient Out-of-Network:** [30%-50%]**Deductible In-Network:** [\$0-\$5,000/\$0-\$15,000]**Deductible Out-of-Network:** [\$750-\$15,000/\$2,250-\$45,000]**In-Network Coinsurance Maximum:** [\$0-\$10K/\$0K-\$30K] [unlimited]**Out-of-Network Coinsurance Maximum:** [\$6K-\$32K/\$18K-\$96K] [unlimited]**Lifetime Maximum:** Unlimited**Wellness:** [Traditional Wellness][Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None][Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]***Optional Benefits:**

[Air Ambulance \$10,000]

[Blue Card]

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]

[Hearing Aid [Elect][Reject]]

[Mental Health/Substance Abuse [Elect] [Reject]]

[Mental Health Parity [Elect][Reject]]

Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*[Life, AD&D and STD Coverage]**

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

[*Must have life coverage to be eligible for STD.]

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Health Advantage. USable Life does not sell or service Health Advantage products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

[Term Life and AD&D through USable Life is Not Provided.]

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[COINSURANCE PLANS]**

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent age [26-27]**Mandated Mental Health Parity [Yes][No]**

PCP: [\$5-\$25]	Specialists: [\$10-\$50] [+ [10%-30%]]
------------------------	--

Coinsurance: [10%-30%]	Inpatient: [\$0-\$500] [+ [10%-30%]]
-------------------------------	---

Emergency Room: [\$50-\$250] [+ [10% -30%]]	Mental Health Inpatient: [\$0-\$500][+ [10%-30%]]
--	--

Max Coinsurance: [none - \$5,000]	[Deductible: \$0 - \$1000]
--	-----------------------------------

Lifetime Maximum: Unlimited	[Wellness: [Traditional Wellness][Health Care Reform]
------------------------------------	--

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None] [Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]***Optional Benefits:**

[Blue Card]	[Air Ambulance: \$10,000]
-------------	---------------------------

Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider

TMJ [Elect] [Reject*]	[Hearing Aid [Elect][Reject]]
[Mental Health/Substance Abuse [Elect] [Reject]]	[Mental Health Parity] [Elect][Reject]]

Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*[Life, AD&D and STD Coverage]**

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]
*[*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Health Advantage. USable Life does not sell or service Health Advantage products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

[Term Life and AD&D through USable Life is Not Provided.]**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 3.] BENEFIT PLAN OPTIONS (CONTINUED)**[BLUECHOICE POS PLANS]**

REQUESTED EFFECTIVE DATE, PENDING APPROVAL IS: _____

Effective Date is [first of the month] [fifteenth of the month] following the Waiting Period

[Is the Waiting Period for Initial Enrollment Waived? [Yes] [No]]

Date of Open Enrollment: _____

If a month is not specified, the Group's Open Enrollment will be the month prior to the Group's renewal date.

Class	Class Description	Waiting Period		Contribution	
		[0-365 days]	[other]	Employee %	Dependent %

NOTE: The Group must pay a minimum of 50% of the employee premium. This Group Contract may be terminated by Health Advantage if the Group fails to contribute the percentage of employees' premium specified above.

Maximum Dependent age [26-27]**Mandated Mental Health Parity [Yes][No]**

Please indicate whether a HRA, or mechanisms utilized to reduce the employee's portion of health plan costs, is either in place or planned to be purchased. [Yes] [No]

*Rates offered for this plan are contingent on assertions submitted by the insurance applicant (or its agent) that there is no HRA or other funding mechanism in place, nor intent to purchase such an arrangement. Upon evidence to the contrary, the group health plan is subject to termination.***Coinsurance In/Out :** [0%-50%]**PCP:** [\$10-\$35]**Specialists:** [\$10-\$35]**Emergency Room:** [\$50-\$200]**Inpatient In-Network:** [\$0-\$500]**Inpatient Out-of-Network:** [\$0-\$500]**Deductible Out-of-Network:** [\$200-\$3,000]**Maximum Inpatient:** [none - \$9K]**In-Network Coinsurance Maximum:** [\$0-\$10K/\$0-\$30K]**Out-of-Network Coinsurance Maximum:** [\$2K-\$20K/\$4K-\$60K]**Lifetime Maximum:** Unlimited**Wellness:** [Traditional Wellness][Health Care Reform]

Drug Coverage: [2 Tier Copay Plan [\$3-\$20]/[\$10-\$30] [other]]
 [3 Tier Copay Plan: [\$3-\$20]/[\$10-\$75]/[\$10-\$100] [other]]
 [3 Tier Copay Plan + Coins.: [\$3-\$20]/[\$10-\$40]/[\$10-\$60] + [20%][other]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$75/\$10-\$100/\$10-\$200]]
 [4 Tier Copay Plan [\$3-\$20/\$10-\$100/\$10-\$200/100%]]
 [Mail Order Drugs [30-102 day supply] [1,2,3 copayments]]
 [None] [Value Formulary][Standard Formulary]

*[Based on actuarial review, this drug benefit [is] [is non-] creditable to the standard Medicare Part D prescription coverage.]***Optional Benefits:** [Air Ambulance 10,000] [Blue Card]**Arkansas Mandated Offer Benefit Riders: You must Elect or Reject Each Rider**

TMJ [Elect] [Reject*]

Hearing Aid [Elect][Reject]

[Mental Health/Substance Abuse [Elect] [Reject]]

[Mental Health Parity] [Elect][Reject]

Rejection of the TMJ Benefit Rider means covered benefits provided to Covered Persons will not include temporomandibular joint disorders (TMJ) or craniomandibular disorders.*[Life, AD&D and STD Coverage]**

[[\$15,000 - \$500,000 Group Life and AD&D] [STD [1-15/4-15/13-26] [\$50-\$1,500 Flat] [other]]* [None]]

*[*Must have life coverage to be eligible for STD.]*

[Life and AD&D benefits reduce 33 1/3% of the pre-age 65 amount at age 65 and 70, and terminate at retirement. An employee must be actively at work on his effective date for his life and AD&D insurance to take effect. STD coverage is non-contributory and requires 100% participation to meet eligibility guidelines.]

[USable Life is an independent company and operates separately from Health Advantage. USable Life does not sell or service Health Advantage products. USable Life is solely responsible for life insurance. [Life, AD&D and STD is provided through USable Life.]]

[Term Life and AD&D through USABLE Life is Not Provided.]**[Rates]**

If there is an agent or broker involved in this coverage transaction they may receive compensation from Health Advantage, or one of its affiliates, for his or her services related to the placement of this coverage. Any such compensation is included in the premium paid by the covered person. For more information on the compensation involved in this transaction, please direct your inquiry to the agent or broker.

[SECTION 4.] ATTESTATIONS

There are a number of federal regulations that impact small group business owners, either in requirements to provide health plan benefits or the types of benefits that must be offered. Our goal is to assist you in meeting these requirements, to help us accomplish this we ask that each small group business owner provide us with answers to the questions below.

COBRA – Group health plans for employers with 20 or more employees on more than 50% of the business days in the previous calendar year are subject to Cobra. Employers are required to provide qualified beneficiaries an election period during which the beneficiary can elect to continue coverage under the guidelines. We offer the services of a vendor, “Ceridian”, to assist you in administering Cobra (no additional cost). Both full time and part time employees are counted to determine if a plan is subject to Cobra. Each part-time employee counts as a fraction of an employee, with the fraction equal to the number of hours worked divided by the number of hours used to determine full time status.¹

(Yes) (No) As an employer, are you currently obligated by law to comply with COBRA?

(Yes)(No) Do you want to use the services of Ceridian?

(Yes)(No) If yes, are you currently contracting directly with Ceridian?

Medicare Secondary Payer – If you have employees who are over 65 and enrolled in Medicare, Medicare will pay as “primary” if you have less than 20 employees (note that other criteria may apply as well). If Medicare is primary, we will offer lower “group health plan” rates to your employees who are over 65 and have their Medicare Parts A and B cards, but not if Medicare is secondary. The count of employees is determined on whether or not you employed 20 or more full time and part time employees each working day of 20 or more calendar weeks during the current or the previous calendar year. Copies of the Medicare Part A and B cards must be submitted for all Medicare-eligible enrolled employees for the lower rates to apply.

(Yes) (No)²Under the governmental guidelines discussed above, the group health plan will result in Medicare being the secondary payer, due to meeting the criteria for 20 or more employees as defined above.

Mental Health Parity – An amendment to the Mental Health Parity and Addiction Act of 2008, set to go into effect on October 3rd, 2009 will require that certain group health plans and health insurance issuers offer coverage to the same extent for mental health and/or substance abuse disorders as they provide for health coverage. This law does not apply to small group employers, defined as those who employed an average of not more than 50 employees on business days during the preceding calendar year.

If the health plan is subject to “Mental Health Parity”, the benefits that must be offered will be richer compared to our current plans, with accompanying adjustments in rates. If not required by law to offer mental health parity, the small employer can decide to maintain the current benefit or elect to move to mental health parity as an option.

(Yes) (No)Under the governmental guidelines above the group health plan is subject Mental Health Parity, meeting the criteria for more than 50 employees.

Medical Loss Ratio - The determination of Large and Small Groups is based upon the average number of employees employed by the employer on business days during the proceeding calendar year. The Public Health Services Act §2791(e) provides

(1) The term “large employer” means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 101 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year.

(2) The term “small employer” means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 1 but not more than 100 employees on business days during the preceding calendar year and who employs at least 1 employees on the first day of the plan year.

The policyholder is a large employer small employer (check one).

[Grandfather Status - Our records indicate that your health plan [is not] [is] grandfathered.

Please confirm if you agree with the grandfathered status as indicated above.

Yes, I agree with the status as shown

No, I disagree with the status as shown because _____]

[SECTION 4.] ATTESTATIONS (CONTINUED)

[Non-discrimination Rule - Our records indicate that your health plan is 'Non-Grandfathered' therefore discrimination based on waiting periods and contribution is prohibited by Section 2716 of the Public Health Services Act:

[Please select one waiting period for your enrollees:

____ (Class A:))

____ (Class B:)]

[Please select one contribution for your enrollees:

____ Contribution

____ Contribution]]

¹ COBRA Handbook 2009, ¶4.03[E][2]; 26 CFR §54.4980B-2 Q/A 5(e).

² 42 CFR §411.170.

L. Policyholder to Distribute and Account for Premium Rebates

[ERISA Groups]

In the event federal or state law requires the Company to rebate a portion of an annual premium payment, Company will pay the Policyholder the total rebate applicable to the Policy, and Policyholder shall handle the rebate payment in accordance with the applicable provisions of Employee Retirement Income Security Act of 1974 (ERISA).

Policyholder will indemnify the Company in the event the Company suffers any fines, penalties or expenses, including reasonable attorney's fees, due to the Policyholder's failure to carry out its obligations under this Section L of the Group Policy.

L. Policyholder to Distribute and Account for Premium Rebates

[Governmental Groups]

In the event federal or state law requires the Company to rebate a portion of an annual premium payment, Company will pay the Policyholder the total rebate applicable to the Policy, and Policyholder shall use the amount of the rebate that is proportionate to the total amount of premium paid by all Employees under the policy for the benefit of Employees in one of the following ways, at the option of the Policyholder:

1. For all Employees covered under any option offered under the policyholder's group health plan at the time the rebate is received by the policyholder, to reduce the Employees' portion of premium for the subsequent policy year;
2. For Employees covered, at the time the rebate is received by the policyholder, under the group health plan option for which the Company is providing a rebate, to reduce the Employees' portion of premium for the subsequent policy year;
3. A cash refund to Employees enrolled in the group health plan option, at the time the rebate is received by the policyholder, for which the Company is providing a rebate; and
4. The reduction in future premium or the cash refund provided under paragraphs 1, 2 or 3 of this section may, at the option of the policyholder, be: divided evenly among such Employees; divided based on each Employee's actual contributions to premium; or apportioned in a manner that reasonably reflects each Employee's contributions to premium.
5. The portion of a rebate based upon former Employees' contributions to premium must be aggregated and used for the benefit of current Employees in the group health plan in any manner permitted by this section.

Policyholder will indemnify the Company in the event the Company suffers any fines, penalties or expenses, including reasonable attorney's fees, due to the Policyholder's failure to carry out its obligations under this Section L of the Group Policy.

L. Policyholder to Distribute and Account for Premium Rebates

[Church Groups]

In the event federal or state law requires the Company to rebate a portion of an annual premium payment, Company will pay the Policyholder the total rebate applicable to the Policy if the Company receives a written assurance from the Policyholder that Policyholder shall use the amount of the rebate that is proportionate to the total amount of premium paid by all Employees under the policy for the benefit of Employees in one of the following ways, at the option of the Policyholder:

1. For all Employees covered under any option offered under the policyholder's group health plan at the time the rebate is received by the policyholder, to reduce the Employees' portion of premium for the subsequent policy year;
2. For Employees covered, at the time the rebate is received by the policyholder, under the group health plan option for which the Company is providing a rebate, to reduce the Employees' portion of premium for the subsequent policy year;
3. A cash refund to Employees enrolled in the group health plan option, at the time the rebate is received by the

[SECTION 4.] ATTESTATIONS (CONTINUED)

policyholder, for which the Company is providing a rebate; and

4. The reduction in future premium or the cash refund provided under paragraphs 1, 2 or 3 of this section may, at the option of the policyholder, be: divided evenly among such Employees; divided based on each Employee's actual contributions to premium; or apportioned in a manner that reasonably reflects each Employee's contributions to premium.

5. The portion of a rebate based upon former Employees' contributions to premium must be aggregated and used for the benefit of current Employees in the group health plan in any manner permitted by this section.

Otherwise, the Company will distribute the rebate directly to the Employees of the group health plan covered by the policy during the MLR reporting year on which the rebate is based by dividing the entire rebate, including the amount proportionate to the amount of premium paid by the Policyholder, in equal amounts to all Employees entitled to a rebate without regard to how much each Employee actually paid toward premiums.

Policyholder will indemnify the Company in the event the Company suffers any fines, penalties or expenses, including reasonable attorney's fees, due to the Policyholder's failure to carry out its obligations under this Section L of the Group Policy.]

[SECTION 5.] EMPLOYEE INFORMATION, MINIMUM NUMBER OF INSURED EMPLOYEES & MINIMUM PARTICIPATION REQUIREMENTS.

Under the Medicare Secondary Payer Rules, it is the Employer's responsibility to annually inform Health Advantage of proper employee counts for the purpose of determining payment priority between Medicare and Health Advantage. Health Advantage is required to furnish these counts to the Centers for Medicare and Medicaid Services (CMS).

Full-Time = active employee with a minimum of 30 hrs/week & 48 weeks/year

	In State	Out of State	Total
Full-Time Employees enrolling (including those satisfying their waiting period within 3 months after the effective date):			
Full-Time Employees waiving (including those satisfying their waiting period within 3 months after the effective date):			
COBRA Continuees (Enrolling)			
Life ONLY Contracts			
Total Enrolling and Waiving			
[New Full-Time Employees who will NOT satisfy the Waiting Period within 3 months after the eff. Date:]			
Part Time / Seasonal / Temporary Employees			
Total # of Employees			

Minimum Number of Insured Employees. [To meet small group enrollment guidelines a group must have at least two full-time enrolled employees, of which no more than 50% may reside in the same household.] [To meet large group enrollment guidelines a group must have at least fifty-one full-time enrolled employees. Groups whose enrollment subsequently drops below fifty-one enrolled must be rated as a small group upon renewal.]

Minimum Participation Requirements. Employees covered through other comprehensive major medical-type coverage may be waived from the eligibility count. 75% of all eligible employees without waivers must be insured, and no less than 50% of the full-time employees must enroll.

This Group Contract may be terminated by Health Advantage if the number of insured employees falls below the minimum number of insured employees specified above or if the percentage of eligible employees of the Group covered by this Group Contract becomes less than the percentage of employee participation specified above.

[Special Group Considerations Form# _____, Description _____]

[SECTION 6.] [SECURED EMPLOYERS WEBSITE]

[Our records indicate that you are currently utilizing the Secured Employer Web Site and we hope that site is useful in the administration of your group health plan. We are always looking for feedback and to assist you with the site if needed, our email address is ewssupport@arkbluecross.com or call us toll free at 1-800-800-5641.

Web Administrator: _____ Email Address: _____]

[Our records indicate that you signed up for the Secured Employer Web Site but have not visited the site and registered to utilize the web functionality. If you need assistance activating your registration, lost the link or need to change the web administrator we can help. Our toll free phone number is 1-800-800-5641 and our email address is ewssupport@arkbluecross.com.

Web Administrator: _____ Email Address: _____]

[Yes No

We have a web site for our small group customers who wish to utilize a “secured” web site which has been very well received by the current users. The site is password protected and all that is required of the group is to have email capability. If you have internet access and wish to utilize the site please mark the “yes” box above, please mark the “no” box if you do not wish to utilize the site at this time.

If you have selected to use the site, please fill in the name of the person who you are designating as “Web Administrator” along with their email address. We will automatically forward a link to this individual shortly after processing this renewal. The link will allow the person to set up their log-on ID and password. In addition to the link, they will receive a guide with detailed instructions on how to use the website.

Web Administrator: _____ | E-Mail Address: _____]

[SECTION 7.] SIGNATURES

This Application is made and delivered in the State of Arkansas and is governed by the laws of Arkansas and the United States of America. This Application is incorporated in and made a part of the Group Contract and Evidence of Coverage.

[I hereby apply for the above referenced coverage and agree the group contract, subject to the terms and conditions of the policies applied for, will take effect as of the next available effective date after approval, provided this application is approved by the home office of Health Advantage. **I also understand that my signature below represents my agreement and acceptance of the premium rate schedule.**] OR

[I hereby renew the above referenced coverage and agree the group contract, subject to the terms and conditions of the policies renewed, will take effect as of the renewal date after approval, provided this application is approved by the home office of Health Advantage. **I also understand that my signature below represents my agreement and acceptance of the premium rate schedule.**]

[I understand the Life and Accidental Death & Dismemberment coverage is provided through a policy issued to the Trustee of the US Able Life Group Insurance Trust, and I hereby [apply for][renew] participation in said trust, which is insured by US Able Life. A copy of the trust policy is maintained in US Able Life's home office in Little Rock Arkansas and is subject to examination by participating employers.]

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in connection with an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

1. Group

Signed at _____, this _____ day of _____ 20____
(City, State)

[full legal name of Group]

By:

Authorized Signature

Printed Name

Title or Position

2. Agent or Health Plan Authorized Representative

I hereby certify that all of the information contained in this employer application is correct to the best of my knowledge, and I know nothing unfavorable about this firm or any individual proposed for coverage (except as noted on the employee applications). I have complied with the underwriting rules and regulations and have explained in detail the coverage to the member firm and its employees including the preexisting condition limitations, if applicable, and the qualifications of the effective date provisions. I understand that Health Advantage will have no liability until this application has been approved.

Agent or Authorized Representative Signature

Agent License #/Agency Fed. Tax ID# (if applicable)

Agent or Authorized Representative Printed Name

Date