



Questions and Answers

Q: How is the PHCC Association involved in the PHCCare Plus Health Plan?

A: The PHCCare Plus Health Plan was established specifically for the PHCC. It is our plan. The plan was built and designed exclusively for our membership. This Trust is the responsible payer of all claims, but is additionally guaranteed by Certain Underwriters at Lloyd's.

Q: What is the advantage of joining the PHCCare Plus Plan versus just buying a local health plan on my own?

A: Examples of potential cost savings include the reduction of profits for insurance carriers, reduced premium taxes and the elimination of varied state benefit mandates in each jurisdiction. Each of these lends cost savings through economies of scale and greater efficiencies from plan design to benefit administration.

Nearly every small employer health plan decision is made on a local basis. In each market, conditions and the competitive environment will be different. Your choice, or decision-making process will remain the same as it has always been, but with a few additional advantages. In many cases your PHCCare Plus rates will be considerably more competitive than those in a particular market, but in other cases they will be close, and alas, sometimes not very competitive. That's when we need to sharpen the pencils, examine the local market and find out exactly why this particular market is different. We would hope that the membership at large recognizes the challenges of health care in America today, and joins in the battle to provide competitive benefits to their employees through the PHCCare Plus program whenever the decision is a reasonable competitive solution.

Keep in mind that the PHCCare Plus program does have specific advantages. Your program was developed to provide a competitive membership benefit as a means to help attract and retain members based upon the value added services. Additionally, our membership consists of an industry that is generally found to be a favorable risk for health benefits. With this in mind, it becomes clear that as we grow the participation in our Trust, the overall experience of our Trust could be better than the general population, hence lending better rates. In addition to our own industry advantages, our Trust is built to pool all of the risks from participants in a way that reduces the actual insurance burden. This means less money to insurance companies, and more money available to provide better rates to our membership long term.

Finally, the PHCCare Plus program is designed to deliver education and support with regard to modern buying strategies. Consumer driven health plans are here to stay, and your PHCCare Plus program is one of few options to provide the most innovative benefit designs combined with traditional PPO plans as available anywhere. Never underestimate the advantage of thinking outside the box!

Q: Has the PHCCare Plus Health Plan been approved by our state insurance commissioner, and is it part of the state “guarantee insurance fund?”

A: First the PHCCare Plus program, as a health and welfare benefit trust, is not deemed by the Department of Labor to be insurance and therefore it is not governed by local insurance rules.

Two major issues in health insurance that make plans more expensive are “state mandated benefits” and state premium taxes. These two factors can add between 2 to 20% to local health plan costs.

With insurance programs many states guarantee certain limited claims payments in case of the insurance company insolvency, which is known as the “guarantee fund.” The PHCCare Plus program is a health benefit trust not insurance and not covered by these “guarantee funds”, but rather is guaranteed by the insurance provided by Certain Underwriters at Lloyd’s. This guarantee from Lloyd’s provides a first dollar guarantee of all valid claims without imposing limits, and is further guaranteed by the Lloyd’s central fund.

Q: If the PHCCare Plus Health Plan is not insurance who is covering the risk of catastrophic claims or insolvency of the trust?

A: The PHCCare Plus Trust purchases reinsurance from Certain Underwriters at Lloyds of London to fully insure the solvency of the trust. Lloyds is financially rated in the United States by both Standard and Poors and A.M. Best as “A” rated. At 300 years of continuous operations Lloyds is one of the largest and most well respected risk takers in the world. Lloyds maintains their own reserve funds here in the United States to cover any catastrophic losses. No United States health insurance company can claim such a long running track record. This arrangement falls under federal E.R.I.S.A. law, not local state law.

Q: Who do I tell my doctor that I am covered by and how do I submit a claim?

A: In today’s health coverage doctors are trained to look for the Preferred Provider Network identification on the employee’s identification card. The PHCCare Plus program has contracted with Private Health Care Systems (www.phcs.com) to be our main national network. Others will be available as needed.

Q: Will the PHCCare Plus Health Plan work with our local health insurance agent?

A: No, PHCC has established a policy of direct distribution at this time. Our main product support team is Client First, they provide many services including that of plan design and engineering, enrollment support, negotiation with underwriters and continuing the advancement of innovative designs for our members.

While this document is only a brief overview of some generally asked questions, do not hesitate to call upon any of us that stand ready to support PHCCare Plus for more information!