

Bridge the gap to reduce health care costs

**Supplemental Coverage from
Symetra Life Insurance Company**



It's a balancing act

As a business leader you need:

- Benefits that help you recruit and retain a quality workforce
- Lower overall premium costs
- Help mitigating the impact of higher deductibles on participants

And individuals want:

- Benefits that fit their needs
- Cost-effective coverage options
- Help with paying for out-of-pocket expenses

Implementing a customized gap plan—a high-deductible medical plan combined with Select Benefits fixed-payment insurance coverage—can help lower premiums while providing first-dollar benefits.



A simple two-step process

A gap insurance strategy combines a higher-deductible medical plan with supplemental coverage. The goal is to lower overall premiums—in some cases significantly.

The example below shows the potential savings resulting from increasing the deductible on your major medical plan while adding supplemental coverage.

Based on a 1,000 life group

1 Increase your major medical deductible

Lower costs by implementing a higher-deductible medical plan.

Original Annual Premium

\$1,000 deductible
\$5,460 per individual per year
(\$455 pp/pm)

\$5,460,000

High-Deductible Plan Premium

\$5,000 deductible
\$3,336 per individual per year
(\$278 pp/pm)

\$3,336,000

2 Bridge the gap

Use a portion (25%–50%) of your cost savings to purchase Select Benefits supplemental insurance. This coverage is used to help reduce participants' out-of-pocket costs for things such as doctor visits, diagnostic exams, hospitalizations and more.

Estimated Savings

\$2,124 per individual per year

=

\$2,124,000

Supplemental Coverage

\$588 per individual per year

—

\$588,000

Realized savings

Cost savings from combining a \$5,000 deductible medical plan and Select Benefits supplemental coverage.

Total Annual Savings

28%

\$1,536,000

\$1,536 per individual per year

Visualize Your Savings

With a gap strategy your savings are proportionate, regardless of group size. The following table provides an overview of potential costs and savings for groups of various sizes, based on the same premium amounts used in the previous example.

	Group size (primary insured)					
	100	500	1,000	2,500	5,000	10,000
Estimated savings on major medical plan +	\$212,400	\$1,062,000	\$2,124,000	\$5,310,000	\$10,620,000	\$21,240,000
Select Benefits supplemental coverage -	\$58,800	\$294,000	\$588,000	\$1,470,000	\$2,940,000	\$5,880,000
Net annual savings =	\$153,600	\$768,000	\$1,536,000	\$3,840,000	\$7,680,000	\$15,360,000

Based on same figures shown on previous page

Bridging the gap is a team effort

With a gap strategy, participant cost-sharing is decreased, but not eliminated. Individuals with high-deductible health plans (HDHP) and consumer-driven health care (CDHC) plans share the financial responsibility and are often more cost-conscious when selecting health care services.¹ They are more likely to talk with their doctors about different treatment options, inquire about generic drugs and look for other ways to reduce costs.²

Because they are directly affected by the cost of medical care, engaged consumers are also more inclined to adopt healthier behaviors and participate in programs designed to promote health and prevent disease, such as health-risk assessments, wellness programs and biometric screening.² This behavior, combined with the attention paid to overall cost containment due to shared financial responsibility, helps mitigate increases to benefit utilization, and reduces the risk of future rate increases due to higher claims activity.

A recent study showed that consumer-driven health care (CDHC) plans can reduce employer premium contributions in the first year, with an average savings of \$1,500 per employee.³

Advantages of Select Benefits coverage

- Customized coverage to complement any high-deductible medical plan, whether fully-insured or self-funded.
- Monthly and hourly benefit designs to fit your organizational structure and budget needs.
- Guaranteed issue coverage; no required medical underwriting.
- No required networks; participants can see any provider.
- No coordination of benefits; claims are paid regardless of any other insurance coverage participants may have.
- Value-add programs provide access to resources that can help with work, life and insurance-related issues.

Well-designed Select Benefits coverage can supplement the benefits found in an ACA-compliant minimum essential coverage (MEC) plan, minimum value plan (MVP) or any high-deductible major medical program. The fixed-payment benefit design helps reduce immediate, out-of-pocket costs for eligible services.

Coverage options

Outpatient major diagnostic testing benefit

Benefits are paid at a preselected, fixed dollar amount up to a calendar year maximum number of tests for the following: magnetic resonance imaging (MRI), computed tomography (CT, CAT scan), mammography, stress test, electrocardiogram (ECG, EKG), ultrasound, bone density, amniocentesis and chromosome analysis.

Inpatient hospital benefit

Benefits are paid on the first day of a covered stay. ICU, substance abuse, mental health and nursing facility stays are included with the hospital stay benefit. Each facility has a calendar year maximum number of days as selected, and 500 days per lifetime, unless otherwise noted in the policy.

Hospital inpatient admission benefit

This benefit pays when an insured is admitted to a health care facility for a minimum of 24 hours and confinement is the result of a nonoccupational illness or injury. This benefit will be paid regardless of any other inpatient hospital benefits available to the insured.

Surgical benefit

This benefit pays a preselected, fixed dollar amount for surgical procedures performed by a doctor. Benefits are paid according to the surgical schedule.

Surgical anesthesia benefit

This benefit pays a preselected percentage of the benefit payable for the associated surgical procedure according to the surgical schedule.

Group accident benefit

This benefit pays billed charges up to a calendar year maximum for services and supplies incurred in connection with an accident. Expenses must be incurred within 52 weeks from the date of the accident with the first expense incurred within 60 days from the date of the accident.

Doctor visit

Benefits are paid at a preselected, fixed dollar amount per visit, up to a calendar year maximum. Doctor's office visits include treatment received in a doctor's office, outpatient clinic or urgent care facility (not a hospital emergency room). This benefit excludes preventive care, vaccinations and inpatient or outpatient surgical procedures.

Outpatient diagnostic X-ray and lab benefit

This benefit pays a preselected, fixed dollar amount for one or more diagnostic X-ray or lab tests performed by a doctor during a single visit to a provider. Benefits are subject to a calendar year maximum and will be paid when hospital confinement is not required.

Health Advocacy services

Assistance with a full range of health care and insurance-related issues such as finding the right providers, scheduling appointments, getting cost estimates, resolving claims issues and more.

EAP+Work/Life™

Licensed professional counselors and work/life specialists provide confidential, short-term help with family- and work-related issues. Includes referrals for more in-depth care, if needed.

Wellness Coaching

Unlimited access to highly-trained wellness coaches by telephone, email or instant messaging, for one-on-one support to help participants reach their health goals.

Participation Requirements: minimum participation is the greater of 25 enrolled or 10% of eligibles.

**This is a brief description of our available benefits.
For a complete list, please contact your Select Benefits representative.**



Symetra Life Insurance Company
777 108th Avenue NE, Suite 1200
Bellevue, WA 98004-5135
www.symetra.com

Symetra® is a registered service mark of Symetra Life Insurance Company.

Select Benefits insurance policies are designed to provide benefits at a preselected, fixed dollar amount. They are not a replacement for a major medical policy or other comprehensive coverage and do not satisfy the minimum essential coverage requirements of the Affordable Care Act. Coverage may be subject to exclusions, limitations, reductions and termination of benefit provisions. Select Benefits policies are insured by Symetra Life Insurance Company, 777 108th Avenue NE, Suite 1200, Bellevue, WA 98004, and are not available in all U.S. states or any U.S. territory.

Health Advocacy, EAP+Work/Life and Wellness Coaching are provided by Health Advocate and offered through Symetra. Health Advocate is not affiliated with any insurance or third party provider. Health Advocate does not replace health insurance coverage, provide medical care or recommend treatment.

¹ "Health Care Spending after Adopting a Full-Replacement, High-Deductible Health Plan With a Health Savings Account: A Five-Year Study," Employee Benefit Research Institute, July 2013.

² "2013 EBRI/Greenwald & Associates Consumer Engagement in Health Care Survey," Employee Benefit Research Institute, December 2013.

³ "Consumer Driven Health Care, A New Agenda for Cost Control in Massachusetts," Pioneer Institute White Paper, Amy Lischko, Ph.D., No. 95, December 2012.