

Sales Reference Tool

PriorityPPO

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PPO vs HMO at a Glance

	FF HMO/POS	Fully Insured PPO	Self Funded PPO
Service Area	Western MI	Nationwide	Nationwide
Network	Priority Health	PH/Rental	PH/Rental
Disease Mgmt.	Premier	Standard	Several Options
Authorizations	HMO	Same as SF PPO	Self Funded PPO
Wellness	No deductible	Optional	Non-routine Ded.*
Rx Formulary	Closed	Optional	Optional
Rating	Community	Manual + Experience	Experience
Reporting	Basic	Basic + Experience (75 or more enrolled)	Full
Capitation	PCP	None	None
PIP	Yes	None	None
Complimentary Products	PriorityDental, PriorityVision, PriorityDisability, PriorityCOBRA, HealthbyChoice, HealthAdvantage, HealthFlex		

*Preventive services not accompanied by routine CPT or diagnosis code paid under deductible/coinsurance

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Obtaining A Quote

New Group quotes may be obtained by submitting a complete Group census along with zip code listings to the Sales Representative. Quotes should be requested allowing at least seven (7) to ten (10) business days for the Underwriting Department to produce a quote. Quotes for a PPO should specify which available PPO plan design is being requested along with the level of deductibles and out of pocket maximums being requested. Rate Exhibits and Benefit Summaries are produced for employer and agent review. New Group decisions must be received by the tenth of the month prior to the effective date. Renewing Group decisions must be received by the fifth of the month prior to the effective date of the renewal.

The data needed for setting PPO rates for a Group include but is not limited to:

- Group specific claims, enrollment and premium history (month by month for two years is preferred)
- Financial arrangement and plan design (self-funded, fully funded, etc.)
- Group carrier history
- Large claim history (including diagnosis and prognosis)
- Census information (age, sex, family status, zip code for all eligible and covered employees)

Additional requirements may include industry, financial and ownership information. Groups that do not meet financially solvency review will not receive a PPO quote.

Group Requirements

Quotes are available for Groups effective 4/1/2005 and after.

- Groups 51+ eligible (non-reform) including eligible employees in and out of the PH service area (census required for GEO match to out-of-area network)
- Minimum 50% of eligible employees within PH service area
- There is no minimum enrollment requirement in the PPO product.

Coexisting Plans

- There must be at least 10 employees enrolled in each PPO plan if more than one plan is offered.
- All other rules concerning coexisting products apply, including total replacement.

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Contribution Requirements

- Contribution by employer requirements are met by either:
 1. 100% of the single rate
 2. 50% across the board
- Group will be eligible for Coverage if the employee contribution to Priority Health does not exceed its monthly contribution to any competing carriers by more than:
 1. \$30 for a single contract
 2. \$35 for a two party contract
 3. \$50 for a family contract
- The employer contribution formula for Priority Health must be no less favorable than the employer contribution formula for alternative carriers.
- Groups must collect payroll deductions to be eligible (i.e. no payment from members will be accepted by Priority Health).
- Group must be authorized to make payroll deductions for federal withholding taxes.
- Group contributes to Michigan Unemployment Insurance for employees.
- The first month's premium must be paid in advance for Group sizes 1-99.

PPO Underwriting Guidelines

- **Priority**PPO offered to employees outside the Priority Health service area must be offered with Priority PPO, HMO or POS within the service area.
- Only one Priority Health PPO option can be offered to Groups having less than 200 eligible employees.
- **Priority**PPO rating methodology is a blending of manual and experience rates.
 - Priority Health will not use experience rating for groups with less than 75 PPO enrolled employees. These size groups will be manually rated.
 - Priority Health will use a blend of manual and experience rates for groups with more than 75 PPO enrolled employees.

Blended Rates

Blended rates are available for Groups 51+ eligible. Groups will receive a form detailing HMO/POS and PPO rates and the new blended rates which they will have to sign and return to Priority Health. Their monthly invoice will show the same rate for each class regardless of product.

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Provider Network

Within the Priority Health service area, the Priority Health network will be used for our PPO product. Outside the service, area, we will use PHCS as a preferred network.

Group size 51+ eligible have the option of contracting with other rental networks for locations with 51+ employees. We will forward census information to other network administrators and will use the Group's choice of networks based on the network that best meets the employer's needs.

ID cards for members of these networks will contain the network logo and network contact information.

Benefit Design

There are four base plans:

Plan	In/Out Coinsurance	In network OOP Maximum; Out of network OOP Maximum
PPO 1	100%/80%	In - No Coinsurance; OON \$2,500 Individual/\$5,000 Family
PPO 3	100%/70%	In - No Coinsurance; OON \$2,500 Individual/\$5,000 Family
PPO 4	90%/70%	In - \$500 Individual/\$1,000 Family; OON \$2,500 Individual/\$5,000 Family
PPO 6	80%/60%	In - \$800 Individual/\$2,400 Family; OON \$3,000 Individual/\$6,000 Family

A basic option is available with all of the above plans listed. This option removes state-mandated and certain other benefits.

Deductibles

The following individual/family in network deductibles may be offered with any base plan:

\$100/\$200 or \$100/\$300
 \$250/\$500 or \$250/\$750
 \$500/\$1,000 or \$500/\$1,500
 \$1,000/\$2,000 or \$1,000/\$3,000
 \$2,000/\$4,000* or \$2,000/\$6,000
 \$3,000/\$6,000* or \$3,000/\$9,000

*Only available in combination with **HealthSavings** or **HealthAdvantage**.

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HealthSavings is available with any deductible of \$1,000 or more.

HealthAdvantage is available with any deductible of \$500 or more.

The following individual/family out-of-network deductibles may be offered with any base plan:

\$250/\$500 or \$250/\$750

\$500/\$1,000 or \$500/\$1,500

\$1,000/\$2,000 or \$1,000/\$3,000

\$2,000/\$4,000 or \$2,000/\$6,000

\$4,000/\$8,000 or \$4,000/\$12,000

\$6,000/\$12,000 or \$6,000/\$18,000

Note: Out of network deductible must be at least twice the in-network deductible.

Lifetime Maximum

Lifetime maximums of either \$2 million or \$5 million may be offered with any base plan.

For a complete list of office visit, RX and other riders available under the PPO plans offered, please consult with your Sales Representative.

Additional Benefit Guidelines

- PPO out of network benefits must always be a lower benefit level than the Group's current benefit level when the Group first moves to a PPO Plan. In addition, the minimum difference between in and out of network coinsurance is 20%.
- The out of network out-of-pocket maximum must be greater than the in network out-of-pocket maximum.

Complimentary Products

All of the complimentary products available to regular HMO Groups are also available to Groups with **PriorityPPO**. These include:

PriorityDental
PriorityVision
PriorityDisability
PriorityCOBRA

HealthAdvantage
HealthFlex
HealthbyChoice

All normal requirements associated with these products apply to **PriorityPPO** enrollees.

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Mid-year Changes

Groups will be allowed to enroll out of area employees into **PriorityPPO** according to the following guidelines:

Current agent must be making the request. If there is a pending AOR change, the request for quote and/or request of a mid-year change would not be approved until the AOR is effective.

Groups must put the request in writing and provide at least 60 days notice prior to the effective date. Paperwork must be submitted 30 days in advance.

Such Groups will have a shortened contract year for their **PriorityPPO** members (the main anniversary date will remain the same). Rates will remain the same for the main Group. If blended rates are desired, new rates will be calculated and applied to all Group members regardless of product. All rates are recalculated at the Group's anniversary.

For a complete list of office visit, RX and other riders available under the PPO plans offered, please consult with your Sales Representative.

A list of published Underwriting Guidelines may be obtained by contacting your Priority Health Sales representative.