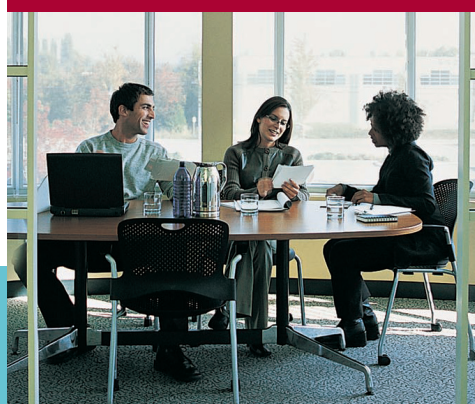




ROCKY MOUNTAIN
HEALTH PLANS®

We understand Colorado. We understand you.



Premier Advantage by **Rocky Mountain Health Plans**

**A Self-Funded Program for
Small Employer Groups**



Product Overview and Enrollment Guidelines

Premier Advantage Overview

Premier Advantage is a self-funded arrangement that offers insurance protection to employer plan sponsors through Specific and Aggregate Stop Loss coverage.

- Specific Stop Loss coverage limits an employer's self-funded liability to a fixed amount if an individual in the group experiences large claims.
- Aggregate Stop Loss coverage protects an employer from high claims costs if claims exceed 120 percent of the expected claims level. Rocky Mountain assumes this financial risk.

To further simplify the process, the employer group receives a single monthly bill which includes Maximum Claim Liability funding, Stop Loss premium, and administrative expenses. This allows the group to make one easy payment each month while Rocky Mountain does the rest.

At the end of the year, if actual claims are less than the amount that has been funded for claims liability, Rocky Mountain will refund the difference. Premier Advantage is simple to understand and administer. Best of all, small groups can now benefit from good claims experience.

Premier Advantage provides the strength and stability of Rocky Mountain Health Plans, acting as the insurance company for Stop Loss coverage, with CNIC Health Solutions' exceptional administration and state-of-the-art reporting capabilities. Premier Advantage also provides access to the Rocky Mountain Health Plans network, one of the largest in Colorado.

Monthly reports will be provided to employers providing information on claim payments funded with executive summaries sent quarterly.

Premier Advantage Enrollment Guidelines

Small Employer Groups

A small employer is a firm, corporation, or partnership that is actively engaged in business that, on at least 50 percent of its working days during the preceding calendar quarter, employed not more than 50 employees, the majority of whom were employed within Colorado. In order to be a small employer, the firm, corporation, or partnership cannot have been formed primarily for the purpose of purchasing insurance. If the small employer was not in existence throughout the preceding calendar quarter, whether the employer is a small employer will be determined based on the average number of employees that the employer is reasonably expected to employ on its working days in the current calendar year.

Minimum Employee Enrollment

Employer group must maintain a minimum of five enrolled subscribers.

Application Deadline

15th of the month prior to requested effective date for groups of 5–50. If the deadline falls on a weekend or holiday, the deadline will be the first business day thereafter.

Coverage Effective Date

A new group's coverage will be effective the 1st of the month following the application deadline. (All necessary documentation must be received and approved by the deadline. Otherwise, coverage will be deferred until all documentation is received and approved.)

Accepting or Declining Groups

RMHP, at its sole discretion, will accept or decline applications for Premier Advantage based on Medical Underwriting review. All eligible employees and their dependents, including employees in a waiting period, will be required to submit an application and complete the medical information section.

Funding

The employer group will authorize CNIC to perform ACH withdrawals from the employer group's bank account to fund the plan.

Maximum Claim Liability will be calculated at 120 percent of the expected claims amount and converted to a Per Covered Unit charge (number of enrolled employees). Employer will fund one twelfth of this amount each month.

Stop Loss

Aggregate Stop Loss coverage will cover Eligible Claims payments that exceed Maximum Claim Liability

Specific Stop Loss coverage will be offered with deductibles of \$15K, \$20K or \$25K.

The following documentation is required when submitting an application

- Group Application
- Group Stop Loss Application
- Individual Employee Applications
- Tax & Wage Documentation (see Tax & Wage Requirements)
- Waiver information (for eligible employees declining coverage because they have other group coverage or individual plan coverage.) Note: employees must submit medical information on the employee application.
- Proof of Creditable Coverage (detailed premium statements listing employee names for past 12 months)
- Disenrollment Forms (for employees cancelling other RMHP coverage)
- COBRA/Colorado Continuation of Coverage (CCOC) Employee Applications (all participants have been notified of the plan change)

- Medical Information Forms (part of the employee application)
- A copy of the employer's renewal premium.

Tax and Wage Documentation

Rocky Mountain Health Plans requires the Unemployment Insurance Tax Report (UITR) and the supporting Quarterly Report of Worker Wages. Each applying employee must appear on the UITR showing income of at least minimum wage for the established eligibility hours. For employees not appearing on the UITR, write their name on the UITR and submit proof of current employment (example: paystub, W4). Number of hours worked per week by each employee must also be written on the UITR.

If the owner of the business does not appear on the UITR, the following documents will be required, listed in order of priority:

- W2 form — if not available, RMHP will accept:
- Copy of owner draws — if not available, RMHP will accept:
- Owner tax schedule that applies (i.e., C, E, F, or SE)

If none of the above items are available, RMHP requires a copy of the Articles of Incorporation along with other documentation to substantiate eligibility for group coverage. Please contact your RMHP Account Executive to determine the specific documentation that should be submitted with your application.

This is a general list of documents that may be required. The health plan reserve the right to request additional information as deemed appropriate.

Deductible Credit

Deductible credit will be given for any portion of a calendar year deductible satisfied under the prior plan during the same calendar year. Deductible credit does not apply to the out-of-pocket maximum. For employers currently enrolled with RMHP, the health plan will provide deductible carryover information for covered Members. Members who have been covered through another insurance carrier will be responsible for submitting proof of satisfied deductible to CNIC for deductible credit.

Continuation of Coverage

CNIC Health Solutions will provide assistance with the administration of Colorado Continuation of Coverage and COBRA at the employer's request.

Pre-Existing Condition Limitations

Rocky Mountain Health Plans will apply a limitation period for coverage for pre-existing medical conditions of up to 12 months from the Member's enrollment date. This limitation period could be reduced or eliminated for each family member who has prior creditable coverage.

Creditable coverage includes health care coverage provided under Medicare, Medicaid, CHP+, an employee welfare benefit plan or group health insurance plan, an individual or group health benefit plan, or a state health benefits risk pool (including CoverColorado), health coverage offered under chapter 89 of title 5 or chapter 55 of title 10 of the United States Code, a medical care program of the Indian Health Service, a health benefit plan under the Peace Corps Act. Creditable coverage is valid if it was continuous and ended within 63 days prior to enrollment. Proof of prior creditable coverage must be submitted with the enrollment materials.

Participation Requirements

The minimum requirement is that 75 percent of all eligible employees must participate in the plan with a minimum of five employees enrolled.

Eligible employees waiving coverage for reasons other than having other creditable coverage will be counted in determining participation requirements. Any eligible employee waiving group coverage because he or she is already covered by a group or by an individual plan that has been consistently maintained and that was in force prior to the employee's eligibility for group coverage will not be counted to meet participation requirements. RMHP will request a copy of their member ID card or billing statement to verify enrollment date on the individual plan.

The employer group may specify how many hours per week an employee must work to be eligible, however, eligible employees must have a regular work week of at least 24 hours per week. Married employees can choose to enroll as subscriber and dependent, rather than as two separate subscribers, if participation requirements are met. The older married employee will be the subscriber.

Contribution Requirements

The employer must contribute at least 50 percent of the employee's single rate. Employers offering more than one plan can contribute 50 percent of the lowest priced plan.

Residency Requirements

85 percent of employees must either reside or work in our service area to be eligible for Premier Advantage funding.

Geographic Locations

Small Employer Groups that have offices in more than one location in Colorado may apply to RMHP as a carrier for all locations or for a specific location subject to underwriting review and approval. When applying for a specific location, all eligible employees must be offered RMHP, as the health plan will not co-exist with any other carrier.

Rates will be based on the geographic area factor of the physical location of the business.

Multiple Option Offerings

Small employer groups with five or more employees enrolling have the option to select up to three Premier Advantage plans for a multiple plan choice arrangement.

Termination and New Policy Periods

RMHP will guarantee a new Policy Period, subject to review of claims experience and health status of Members of the employer group, at the end of the first Policy Period. Review will determine new premium rates. Notification of the new Policy Period option will be presented to the employer at least 60 days prior to the end of the first policy period.

Corporate Affiliations

Rocky Mountain HealthCare Options (RMHCO) acts as the Insurance Company for Premier Advantage, providing Stop Loss coverage and claim funding, on behalf of the employer.

CNIC Health Solutions (CNIC) will handle all Third Party Administrative services.

Rocky Mountain Health Plans is the tradename for the above mentioned entities.



Corporate Headquarters

Grand Junction

2775 Crossroads Boulevard
PO Box 10600
Grand Junction, CO 81502-5600
970-244-7800
800-453-2981, option 3
Fax: 970-244-7795

Denver

6251 Greenwood Plaza Blvd., Suite 300
Greenwood Village, CO 80111
303-689-7371 — 800-823-8356
Fax: 303-770-0601

Durango

555 RiverGate Lane, Unit B1-109
Durango, CO 81301
970-385-5131 — 888-662-6489 (option 1)
Fax: 970-385-7686

Pueblo

503 N. Main Street, Suite 718
Pueblo, CO 81003
719-253-3900 — 888-332-8963
Fax: 719-543-7694